

MORAL ECONOMY AT WORK

Ethnographic Investigations in Eurasia



EDITED BY
Lale Yalçın-Heckmann

Moral Economy at Work

Max Planck Studies in Anthropology and Economy

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Moral Economy at Work

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LALE YALÇIN-HECKMANN



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Introduction

Moral Economy at Work

LALE YALÇIN-HECKMANN

The coronavirus has changed the agenda of both European and global politics. Countries that had previously been praised for having tight state budgets (like the Netherlands) or low public spending (including saving on public health services, like Italy and Spain) have come under criticism and found themselves with problems trying to control the spread of the pandemic. Germany, for instance, without any major public debt, has been changing its policy of avoiding debt and promising to protect almost everyone from the expected financial crisis and recession. What has happened? Does the massive increase in public spending and the more general reassertion of state responsibility occasioned by the coronavirus pandemic represent a reversal of decades of neoliberal marketization? Can this moment in history be viewed as a reassertion of social protection in the sense of Karl Polanyi (1957 [1944])?¹ It is clear that moral issues are being raised at multiple levels, from who gets access to ventilators in failing hospitals, who can work from home, whose work should be considered ‘essential’ for the society and allowed to go on, to which kinds of welfare state are able to help their citizens get through this crisis both medically and financially. We observe many states promising to protect the economically vulnerable: is this symptomatic of a more general revival of a ‘moral economy’ in the sense of historian E.P. Thompson (2010 [1991])?

In times of global crisis such as the present pandemic, evoking moral values and the state is usual and understandable. The financial crisis in 2008 raised similar calls, which became the subject of sociological (Karner and Weicht 2016) and anthropological (e.g. Gkintidis 2016; Kofti 2016; Palomera and Vetta 2016) discussions. The balance between ecology and

economic development, heatedly debated by emerging ecological movements, is perhaps the best example of concerns over the moral economy.² Politicians and corporations have been criticized, despite the fact that some of them have long incorporated moral reasoning as part of their corporate social responsibility agendas: they claim to care for both the environment and their workers by promoting ethically responsible working conditions.³

This volume addresses moral reasoning and values as they are embedded and evoked in economic action. It looks specifically at how moral economic obligations and acts arise out of and within the context of work, at the ethnographic examples of primarily but not only small- and medium-sized urban enterprises in Eurasia.⁴ We are inspired by the works of E.P. Thompson (1971 and 2010 [1991]) on the moral economy of the English poor, by James Scott's (1976 and 1985) interpretation and expansion of the concept as well as further appraisals and critical works of anthropologists like Didier Fassin (2009), Jaime Palomera and Theodora Vetta (2016), Chris Hann (2010 and 2018) and James Carrier (2018). We first turn to Thompson's work before discussing the other authors and moving on to our own engagement with the concept and its intellectual legacy.

Thompson's concept of moral economy grew out of his research into the reactions of sections of the English poor to rising grain prices in the eighteenth century. He criticized the 'economic reductionism' and 'abbreviated view of economic man' (Thompson 2010 [1991]: 187) that were allegedly characteristic of historical and economic analyses of contemporary bread riots. These were represented in previous scholarship as 'rebellions of the belly' (ibid.: 186), but Thompson asked how behaviour was modified by 'custom, culture and reason' (ibid.: 187). The riots were not a mechanical response to hunger but were fuelled by moral indignation over changing conditions of food production and distribution.⁵ The crowd 'was informed by the belief that they were defending traditional rights or customs . . . supported by the wider consensus of the community. On occasion this popular consensus was endorsed by the authorities' (ibid.: 188). Thompson's discussion then addressed claims and beliefs (rights or customs) that motivate people to act and authorities (that is, various levels of the state, in his terms 'the paternalist control') to support these claims but also reinforce them. Various aspects of his concept have been subsequently elaborated by numerous authors, economic and social historians and anthropologists; they asked what these values, social norms and obligations might be, how they are rooted in traditions, which groups might have such moral economic values, and what kinds of circumstances of injustice and deprivation would lead to communal outrage and hence could be termed moral economy. These publications also raised the question of how widely such moral economic action would apply to other historical and economic con-

texts. Thompson returned to these discussions in a lengthy chapter of his 1991 book *Customs in Common*.⁶ There he rejected the idea that the moral economy as discussed in his original essay could be understood to apply ‘to all kinds of crowd’ (2010 [1991]: 260). He insisted on the specificity of his historical case and that he was concerned with the ‘political culture, the expectations, traditions, and, indeed, superstitions of the working population . . . and the relations – sometimes negotiations – between crowd and rulers which go under the unsatisfactory term of “riot”’ (ibid.). He then became critical of both reductionist and over-expansionist uses of the concept: ‘. . . to understand the “political” space in which the crowd might act and might negotiate with the authorities must attend upon a larger analysis of the relations between the two’ (ibid.: 261). Nevertheless, at the end of his review, he left the concept open to further comparative research: ‘it is an agenda for forward research’ (ibid.: 351).

James Scott (1976) developed his own interpretation of moral economy by interpreting Southeast Asian peasants’ political behaviour in terms of a subsistence ethics. Subsistence ethics describe economic practices of peasants being grounded in social relations and moral values. Accordingly, the peasants are cautious about the fluctuations and vagaries of rural life, concerned with showing solidarity with the members of their community and dependent on the powerful for protection. Thompson (2010 [1991]: 341–50) found Scott’s application and expansion helpful, although Scott elaborated more on resistance than riots, especially in his 1985 work *Weapons of the Weak: Everyday Forms of Peasant Resistance* (see also Fassin 2009: para. 21).⁷ Palomera and Vetta summarize Scott’s contribution as follows: ‘Scott sees peasant mobilizations not as a direct outcome of absolute surplus extraction, but as a violation (backed by the colonial state) of a social pattern of moral entitlements and expectations . . .’ (2016: 417).⁸

In recent decades, many scholars, often referring to both Thompson and Scott, have continued to use the concept, with some criticizing its inflationary use and increasing vagueness (e.g. Browne and Milgram 2009; Fassin 2009; *Focaal* 2015; Götz 2015; Hann 2018). Fassin (2009) offers an extensive discussion of moral economy, returning to Thompson’s original 1971 essay and indicating how and why Thompson became critical of the way the concept has been received. According to Fassin, Thompson’s moral economy has two components, the moral (norms, values and obligations) and the economic (encompassing production, distribution and consumption); Thompson’s aim was to show how they are connected. Fassin points to two ways of approaching moral economy. First, it could be contrasted with political economy, which mainly addresses relations of production and power relations, whereas the moral economy in this contrast would cover mores, norms and obligations. Secondly, Fassin argues, Thompson’s use of

moral economy could have another ‘opposite’ (a point that Thompson did not develop, except possibly implicitly). It would be possible to contrast the moral economy/(ies) of different social classes, such as ‘the moral economy of masters, capitalists, or owners confronted with the moral economy of workers, proletariat, or peasants’ (Fassin 2009: para. 13). Fassin finds this second reading of moral economy more inspiring and uses the contrast himself in his essay, ending up with moral economies in the plural.⁹ For the authors in this volume, moral economy does not imply a plurality *per se*, as if the concept pertained to clearly bounded social groups. Nevertheless, the authors explore how employers, employees and self-employed businesspeople use moral values in the economy in making community and how they differentiate between ‘us’ and ‘them’ – similar to processes of group-making as dealt with within the Durkheimian tradition but not too far away from Weber’s *Wirtschaftsethik* – that there may be different tensions involved between the rationalization of the economic and other values.¹⁰ This use is often dynamic and involves contradictory strategies; for instance, employers sometimes uphold moral obligations towards kin when organizing labour (see Deniz, Tocheva, Szücs and Chaki in this volume), but at other times they downplay the role of kin in accumulating capital (Chaki), or invoke modern management’s emphasis on merit when recruiting employees (see Deniz, Rajković and Tereshina). On the whole, as Fassin suggests, this opening allows us to discuss moral values and obligations in the dynamic setting of organizing work and production.

Fassin’s essay also provides a summary of Scott’s work, outlining how the focus changed from ‘riots’ to ‘resistance’ and how Scott brought back the notion of value by pointing out the relevance of a ‘sense of justice’ (Fassin 2009: para. 21). This line of thought can be fruitfully examined in relation to working lives and the organization of work. In my own research (Yalçın-Heckmann 2019), I have looked at the organization of agricultural and industrial production of rose and rose oil in Isparta, Turkey and have pointed out the ‘sense of injustice’ and moral indignation that were articulated by many actors in this process, from rose-producing small and large farmers, intermediaries buying the rose harvest, rose oil-producing small firms, to an agricultural cooperative doing both agriculture and industry, as well as the sale of rose oil in global markets. The chains of production and trade involved multiple procedures where information could be withheld and become veiled, hiding production levels, payments, prices and profits. I argued that the frustration about the lack of transparency fed this ‘sense of injustice.’

The contributions to this volume address the themes of working lives and access to and organization of work in their historical and political economic contexts and as fields in which individuals often experience, test

and develop their own 'sense of justice'. In classic sociological and anthropological works (e.g. Firth 1964; Durkheim 1973; Weber 1978), working lives in urban settings have been identified as readjusting and shaping individual values and orientations. Hence in this volume we argue that the particular 'sense of justice' experienced in working lives allows us to open up the moral dimension of the economy and expand the analytical value of moral economy as a theoretical concept. Fassin notes that although Scott's contribution to the idea of a moral economy has brought back the notion of value in the form of demanding social justice and criticizing inequalities, so far this has been done only from the perspective of the dominated. Our contributions to the discussion of moral economy aim to expand the applicability of the concept (similar to Fassin) by adding the perspectives of the dominant social groups (employers, managers, self-employed business owners, entrepreneurs of medium-sized firms). Nevertheless, the individuals and groups in these dominant social positions are studied by means of a relational analysis; that is, their positionality is firmly embedded in their local, historical and global contexts and temporal junctures.

Palomera and Vetta (2016) offer another review of Thompson's and Scott's original concepts and link their ubiquity to the spread of Polanyi's (1957 [1944]) notion of the embeddedness of the economy. The authors note that many readings of Polanyi have interpreted his critique of disembedded markets as a 'dichotomous approach' juxtaposing the embedded economy with autonomous markets, leading to Polanyi wrongly being seen as 'a moral economist *avant la lettre*' (Palomera and Vetta 2016: 418). They argue that bringing in the perspective of the social reproduction of capital and class allows us to treat moral economy as a dynamic concept; furthermore, paying attention to hegemony, they suggest, would help us grasp the nature of contradictory and historically contextualized class relations. The special issue (*Anthropological Theory* 2016, vol. 16, issue no. 4) and its introduction, written and edited by Palomera and Vetta, offer a strong argument for integrating the anthropological analysis of moral economy further with that of political economy and employing moral economy as a suitable theoretical concept for the analysis of 'moments of historical rupture' (2016: 428).

A more recent critique comes from Chris Hann (2018), who, like Fassin, argues that the term has been massively over-extended. In an earlier contribution (Hann 2010), he noted how the idea of moral economy had challenged economic interpretations and upheld the importance of values and norms. There he argued that peasants in Hungary had norms and values that made them pro-market, whereas the dominant paradigm following Thompson and Scott stressed peasants' responses to new markets. In his 2018 publication, Hann (following Etzioni 1988) broadens the framework

by arguing that we need to move away from a ‘clumpish’ understanding of moral economy (as Thompson himself commented in his 1991 publication) and instead recognize ‘a *moral dimension* in the sense of a collective and systematic basis in long-term shared values’ (emphasis in the original, 2018: 231). He supports his argument with evidence concerning attitudes towards work in Hungary, beginning in pre-industrial times and continuing through socialist collectivization, post-socialist decollectivization and the recent workfare programmes introduced by the party of Viktor Orbán.

Conversely, James Carrier (2018), although similarly critical of the muddled use made of moral economy in recent decades, finds the concept worth salvaging, provided it is made more precise and applied rigorously to relationships arising out of economic interaction. Harking back to the old discussion (instigated by Polanyi) between formalist and substantivist understandings of the economy, Carrier notes that ‘people’s lives are full of choices of all sorts’ (2018: 21). A moral choice depends on the invocation of a transcendent value of significance to society in the long term (Parry and Bloch 1989). This understanding of ‘moral,’ which he argues is close to Thompson’s and Scott’s respective uses of it (Carrier 2018: 23), is rooted in Durkheimian ideas of morality arising out of cooperation in society:

To call an act moral in this sense is to point not only to the obligation that it expresses, but also to its basis, the relationship between the actor and someone else. My goal here is to suggest that we recognise that people’s interaction in their economic activities can generate obligation. (Ibid.: 23–24)

Obligations and transactions are thus interdependent and generate ‘heightened degrees of mutuality’ (ibid.: 27; see also Gudeman 2016). Whereas Hann does not show how values may be activated in economic relationships, Carrier’s approach underlines the emergence of moral ideas in obligations and shows how these are linked to expectations and mutuality. However, Carrier has less to say about where these moral ideas come from and how they emerge in different forms in different kinds of society. Combining these two critical approaches in analyses rooted in ethnography makes it possible to operationalize the concept of moral economy in order to connect the realm of values to the realm of actions.

Social Organization of Work

The research presented in this volume draws primarily on recent investigations of medium- and small-sized firms. Compared to large corporations, we can expect very different forms of moral reasoning and economic activity in smaller companies, as they are more vulnerable in economically

volatile times and places. We are particularly interested in the social organization of work.¹¹ In her ethnography of a Bulgarian glass factory, Dimitra Kofti (2016) pays attention to the changing relations of production and differences in the values held by workers and management respectively. The workers in this example are themselves fragmented by the value regimes of flexible capitalism and ‘situationally draw from different values derived from antagonistic and coexisting moral frameworks’ (Kofti 2016: 438), including values rooted in the family (or what Stephen Gudeman would call the house economy). Like Kofti, the authors in this volume attend to a variety of value regimes, as well as ‘the interplay between self-interest and moral norms, which are both present in all economies’ (ibid.). The difference is that the small scale of the enterprises investigated in this collection offers an added focus on social reproduction in that these businesses combine their house economies and business enterprises more intimately and intensely than in large factories, thus making it easier to see clearly how rents are extracted between the different spheres (Gudeman 2016). On the whole, less attention has been paid to the moral dimension of values and actions in such smaller enterprises; here we expect to find blurred boundaries between social and economic obligations, which may be mediated through relations of kinship and informality.

In some ways, however, one can argue that all economies are moral economies (Palomera and Vetta 2016: 419; see also Carrier 2018). Like the socialist communities studied in the collection by Hann and Parry (2018), neoliberal regimes also have their moral values, albeit very different from the norms of working-class solidarity. The morality of neoliberal capitalism has been investigated by Andrea Muehlebach (2012) with reference to reflexive individual subjects, namely voluntary workers in Italy’s Lombardy region. Muehlebach illustrates how the rise of ethical voluntarism has been accompanied by the state’s mass mobilization of selflessness. The rationality of neoliberalism produces ethical citizens, who actively make gifts of their labour to the public. Similar arguments are developed by Berta, Szücs, Rajković and Tereshina in this volume.

Many of the chapters in this volume deal with work relations involving small enterprises, often employing informal practices. They provide examples from countries with diverging historical, political and sociocultural backgrounds. Others have also paid attention to the moral ideas that prevail in workplaces. Michèle Lamont’s work on *The Dignity of Working Men* (2000), for instance, tackles similar questions of self-worth and status. Nevertheless, our approach in this volume pertains more stringently to moral ideas that are developed in action, specifically in work organization and relations. Lamont’s approach covers a broad range of moral ideas that are related to group identities of ‘us’ and ‘others’, of migrant workers, of

people from different classes and ethnic backgrounds and do not necessarily address work-related obligations: this is where we differ from her study.

Comparative Dimensions of Moral Economy at Work

We propose to examine the contributions to this volume as addressing moral economy in work relations along three axes: 1) the individual versus the social level of action in moral economy; this is where Weberian sensitivity to social stratification and competing value spheres could be examined;¹² 2) the role of the state in cultivating or alternatively challenging moral economy; this is where Scott's ideas of resistance to state power could be tested and refined; 3) the role of kinship in the small-scale organization of work and labour; this is where Polanyian ideas and concern with the *oikos* could be followed up and the Durkheimian sense of community could be probed. Through these axes, we hope to show how the concept of 'moral economy' could be reoperationalized around the theme of work.¹³

The *first axis* addressing the individual versus social levels of actions in the moral economy is most clearly addressed in Berta's, Hornig's and Szücs's chapters. Anne-Erita Berta looks at highly skilled and educated middle-class small business owners in Aarhus, Denmark, who fashion their moral selves by 'being good' and 'living good'. She examines how business owners want to be good and how they also link this to living morally, which they frame as going beyond material interests. Even though these desires may pertain to the individual, they nevertheless reflect sociality and the individual's desire to be granted social recognition. Berta argues that these business owners act in moral ways in order to constitute and articulate the values of a moral community. Nevertheless, there are variations in how her interlocutors interpret what being good entails. Her first case, a small baker who produces good-quality but affordable pastries and emphasizes personal satisfaction in one's life and work, shows an affinity with economic values in other modern, highly developed and established welfare state societies, of which Denmark is obviously an example. Her second case, a toy seller, is concerned with selling ethically produced toys, which again is reminiscent of ethical production and consumption regulations found in the European Union. These individual small business owners enact the moral values in Danish society, Berta argues, but they are equally concerned about self-interest and a work-life balance. Hence there is a limit to their being 'good' in the eyes of the society. Berta's discussion of Danish small business owners in several niche economies lends itself to comparative questions concerning human universals. Are the desires for autonomy and the independent work of Burman small business owners in Myanmar,

discussed by Laura Hornig in this volume (see below), at all similar to the desire for a self-fashioned life of moral economy on the part of Danish small business owners, as Berta argues, or to the good employer/retail shop owner, as discussed by Luca Szücs in this volume (see below)?

Laura Hornig's chapter presents another example for discussing this first axis of individual versus the social level of action in moral economy. She examines employer-employee relations in small-scale businesses in Patheingyi, Myanmar. Here, moral considerations were important in all firms and relationships. The employers emphasized the difficulty of finding suitable and reliable workers; while the employees were looking for 'good employers'. Hornig examines the role of such moral considerations in employee-employer relations by looking at small-scale self-employment; here the high value placed on autonomy seems to be a determining factor in economic action. Using the case study of a water-seller, Hornig shows how this self-employed and uneducated petty trader finds justification for his trade in a range of reasons, from water being pure and essential – and religiously highly valued – to his own independence from a boss, which enhances his moral sense and individual autonomy. Hornig interprets this desire for autonomy as a historically embedded moral value. There are nevertheless a number of pragmatic reasons underlying this desire for autonomy. Self-employment not only means autonomy but also the flexibility to attend to other morally and socially embedded tasks such as kinship obligations. This is 'relational autonomy', as described by Millar (2014), she concludes.

Hornig's discussion of the moral expectations and obligations around work is developed within the framework of recruitment and working conditions, which she examines from the perspective of employers as well as employees, in line with the theme of this volume. She contrasts small businesses with large ones and traces their respective expectations from pre-industrial and pre-migration contexts. As we know from Thompson's and Scott's contributions on moral economy, it is especially in periods of considerable transformations, like Myanmar is currently experiencing, that moral expectations may clash with newly emerging economic realities. Hornig skilfully illustrates how employers and employees pursue their own interests while maintaining their dignity and self-worth. Moral judgements are then part of the value system marked by kinship and religion among other factors, but they also emerge out of work relations.

The employers in Luca Szücs's chapter – like Berta's small business owners – also imagine themselves as morally good, although their criteria for goodness reflect historical comparisons and contemporary relationality. Her chapter focuses on three tobacco shops of a firm in the Hungarian city of Szeged and engages strongly with the web of social relations between employees, employer-owners, shop managers, shop assistants, employees

and customers, studying how the physical setting as well as social background of these people impact the way the relations are established and could develop into moral obligations. In contrast to Szücs's case, the uneducated and unskilled self-employed in Myanmar described by Hornig (see above) value autonomy and flexibility in their working lives as a high moral good. One can conclude from this comparison that, regardless of social class and level of education, business owners are concerned about their moral image, their self-determination having moral value in terms of economic action. The three cases suggest that business people worldwide share more than we commonly assume, and they are not only guided by their own specific historical and cultural contexts but also have moral ideals that are indeed universal.

Still along the same axis, the social embedding of morality in economic action is a dominant theme in the case discussed by Detelina Tocheva. Her chapter visits yet another context of work and labour organization, in rural Bulgaria. Unpaid collective labour was common in rural communities in Bulgaria, as well as in many other former socialist countries, especially in building a private house. This was a traditional form of free and reciprocal labour exchange. Tocheva shows that this unpaid labour has not disappeared with the end of socialism but has changed by being restricted to a smaller circle of acquaintances and kin. Her approach brings together Carrier's (2018) view of self-interested transactions leading to mutuality with Hann's (2018) intervention and plea concerning moral economy in understanding it rather as a 'moral dimension' and value with shared historical roots. She argues that the actions of the moral economy that surround house construction have deep historical roots and evoke a traditional value as well as having the dynamic effect of transforming mutuality, as Gudeman (2016) has stressed.

The *second axis* of comparison between the contributions in this volume takes up the role of the state in shaping actions in the moral economy. To begin with, Sudeshna Chaki's chapter looks at how small-scale manufacturing firms came into being in Palghar, in provincial India, the vicinity of greater Mumbai. She argues that the Indian state developed policies in order to encourage the emergence of big players; yet examining state policies is not enough in order to understand the variation in industrial development. Certain groups like trading castes or merchant communities seem to have a comparative advantage in being able to follow the path of development 'from trade to industry'. Questioning the role of the supposed 'entrepreneurial spirit' of the first small-scale industrialists in Palghar, Chaki examines the significance of family and community background in amassing the start-up capital. By comparing businessmen with and without such community backgrounds, she discusses the strategies they used to

compensate for the lack of support from kin or the state. Her discussion shows that state support has been crucial in the emergence of small- and medium-sized firms in provincial India. This support was important in accessing capital and other resources, and it gave such business owners an alternative to the support of kin and the community, hence weakening the reliance on kinship morality and the obligations of the moral economy from and towards relatives. Nevertheless, at other stages in the development and expansion of these firms, relations of kinship and community, as well as the need to establish trust in business partnerships, invigorated the moral dimension of economic action, making trust the basis of long-term partnerships with non-kin partners. In Chaki's case study, we see the deep mutual entangling of state and kinship-based solidarities, even though at times they are alternatives to one another in the moral signification of economic relations.

State support or rather expecting state support in the case of a former socialist car factory in Serbia is discussed by Ivan Rajković as omnipresent, rooted in the memory of the socialist state as well as in the actual financial arrangements of the public–private partnership. Rajković first looks at a strike initiated by workers for higher wages, more employment and lower output quotas and follows this up by showing how conflict was negotiated between foreign capital, the Serbian state and local workers (as in public–private partnerships, or PPPs). Using this opening vignette, he is able to bring back the role of the state into the articulation of moral economy, as in E.P. Thompson's original study of the English poor in the eighteenth century. Thompson explored the moral outrage against the unjust grain prices that emerged from the accumulating change of relations of production, price and distribution in which the state's policies played a decisive role. Similarly, in Rajković's example of the public–private partnership in the car factory, the outrage was directed against not only capital but also the state as the mediator between labour and capital. With this PPP, not only do the funding mechanisms change but the role of the authorities is also redefined; the former paternalist firm now finds it possible to distance itself from its past obligations, such as providing accommodation for workers. The public good can thus come to be interpreted as pertaining to different national, common or étatist principles. Rajković sees PPPs as not only blurring but also misrecognizing 'the connection between state governance and private profiteering, patriotic policies and business ethics'. He contends that moral obligations are split in PPPs such that the private part becomes the 'immoral' part, while the public part is still associated with obligations. That is, the latter is re-moralized.

What does Rajković's study of the afterlife of the car factory tell us about the relevance of moral obligations in the organization of labour? Even if this

case seems to be very different from the organization of family labour in small firms, it is highly relevant for understanding state intervention in the relationship between capital and labour and hence brings in the Polanyian perspective as well as the question of scale. In large firms, informal arrangements of care and protection are uncommon. Nevertheless, as we can see in this chapter, demands for protection may be historically embedded in the socialist legacy of labour or rather selective memories of it, which may evoke claims of a moral economy that was even more transparent and less obscure in the socialist past. This reminds the reader that it is not only in small firms but also in such earlier large-scale car factories that the notion of ‘job inheritance’ – that is, employing workers who are the descendants and kin of existing or former workers – could develop historically into a moral claim and obligation. In comparison, Szücs’s discussion of the Hungarian state and its economic role in the small-scale retail sector also suggests strong memories of the socialist state, yet weak state presence in contemporary times, as the state only enforces certain laws – laws that can, to a certain degree, be circumvented by the employers.

The third case for the *second axis* comes from the Russian Federation. Daria Tereshina’s chapter offers a similarly intriguing discussion of the role of the state, here in relation to the small-scale garment manufacturing industry in Smolensk, where textile and linen manufacturing were important during the Soviet period. Like Chaki, she is concerned with questions related to the life cycles and developmental trajectories of small firms. Where does their starting capital come from? What kinds of strategies are available to owners of small firms when they have to struggle with global market pressures? Lidia Alekseevna, the small firm owner whose life and firm biographies Tereshina unravels, acquired her initial capital during the Soviet era. Like many other new business people in the late socialist and early post-socialist periods, Alekseevna grabbed property from a former socialist enterprise and used her socialist connections to establish her business as in the ‘*komsomol* economy,’ an economy of favours, using shared knowledge, power networks and her access to resources. Alekseevna justifies her own ‘scrambling for resources’ as still upholding the Soviet moral ideal of building a ‘better future,’ an ideal that stayed with her throughout the crisis years. She has tried to cope with post-socialist deindustrialization and the global financial crisis by diversifying her production through subcontracting (and keeping her workers, albeit in fewer numbers and at lower pay) and maintaining her own (and her daughter’s) aspirations to creativity by producing fancy dresses, which does not bring in any financial profit but increases her own ‘sense of agency.’ Tereshina explores, in a rich and sensitive way, how Alekseevna’s work and production strategies could have different readings: being rooted in individual subjective morality but also

in the Soviet-style moral ideal of doing something good for the community and Russian cultural ideals of ‘resistance’ (by referring to the ‘Russian soul’ and having a ‘deeper sense of things’), to being a more straightforward strategy of resisting global economic pressures (by producing cheaper but also lower quality goods). Even from the perspective of one entrepreneur, activities within the moral economy could have multiple reference points of varying temporal and spatial depths.

Further comparisons along the *second axis* of the state’s role in moral economy are due here. In Tereshina’s example, as in the Serbian case, the state is reclaimed – for having been developmentalist-cum-moral in the socialist past – yet distanced as well for being neoliberal and corrupt. The business owners in her case refashion their morality in certain essentialist and culturalist ways, as well as practise the individualist positionality of being temporally both ‘inside and outside the system’ of this state-cum-global political economy. They are therefore unlike Berta’s small business owners in Denmark (even if similar in their search for creativity), who are active in their niche economies. Berta’s interlocutors (see above) transcend the state through their individual moral aspirations even while benefiting from a strong and controlling welfare state. They distance themselves from this state, accusing it of being on the side of big capital and industry and of having become fully integrated into a globalized consumption economy where one’s own good-quality ethical products do not receive as much support as they should. Hence, they choose to be agents themselves in a moral economy in which they lead ethically good lives, produce in morally responsible ways and enhance the moral economy of their community even if understating the role of the state in it.

Hornig’s chapter raises many questions related to the existence of a welfare state and the implementation of labour laws. In the absence of these, work relations in Myanmar seem to depend on the individual responsibility of employers making moral judgements, as well as employees demanding morally responsible behaviour from their employers. However, their sole bargaining power remains their ability to walk away from less attractive jobs if alternative jobs are available. Finally, the rural Bulgarians discussed by Tocheva, even though they are dependent on state support and regulations in organizing a house construction, their ideal regarding the significance of building a house with unpaid labour has historical and social roots, emphasizing the community and the reciprocal sociality within it.

The *third axis* pertains to the role kinship plays in the organization of work and labour. Deniz’s and Chaki’s contributions both extensively explore the moral obligations of kinship and communal relationships and discuss the strength of these ties and obligations in imbuing the organiza-

tion of production and labour with morality and moral discourse. Briefly to Ceren Deniz's chapter: she focuses on the morality of kinship in medium-size firms in Çorum, a city in Anatolia. Modernization theories, following Max Weber's legacy but particularly Talcott Parsons' works, problematized kinship and relatedness as hindering the establishment of rational bureaucratic procedures in institutions, including economic ones. Yet kinship-based recruitment and promotion in workplaces have been universally acknowledged to exist, including in developed capitalist economies and modern societies. Deniz places her discussion in the context of the dilemma firms face between kinship-based recruitment being a widely acknowledged 'problem' and traditional familism being a strategy in innovative small firms. Her view of the persistence of kinship-based morality in recruitment and work relations is reminiscent of Raymond Firth's (1964) discussion of the emergence of a new morality in modern industrial and economic systems of the twentieth century. Firth refers to the morality of the developmentalist era, when resisting industrialization and progress was seen as morally wrong (1964: 184). However, he too was sceptical about how new this morality was, concluding that human intellectual curiosity had been always guided by moral thoughts and that 'morality in action' is essentially about making choices on the basis of moral ideals we already have (*ibid.*: 185).

The assumed distinction between moral ideas in industrial and pre-industrial societies respectively has been critically addressed by Sylvia Yanagisako, whom Deniz follows closely. Like Yanagisako (2002), Deniz challenges the taken for granted stability of kinship morality in employee-employer relationships, especially the assumption that if employees and/or employers are kin the morality of kinship will spill over into the economic relationship and necessarily work for the benefit of the employer, who can then exploit their employed relatives. Her example of a factory in Çorum shows that relations of kinship can be a burden to the employer as well, or that they can be interpreted differently, while the morality involved can be short-term or long-term, as Maurice Bloch (1973) argued many decades ago. Employers play down or deny the existence of relatives working in their factory, while employees who are their relatives reject their broad classification as kin and emphasize that being an employed relative is a status that needs to be earned and that requires diligence and loyally working for the firm. Hence, moral obligations and expectations need to be defined in context and through negotiations over kinship and labour relations. Deniz's chapter skilfully unravels the morality of relations of kinship, showing how they are embedded in the economy as part of the normative system. The moral considerations can, however, occasionally be discarded when the firm's interests are in jeopardy. Nevertheless, moral understand-

ing of kinship and the way this gets reflected on to the firm resonates the historically defined broader understandings of status, hierarchy and reciprocity in Turkish society, similar to what Hann (2018) argues in relation to deeply rooted notions of work and their moral value in Hungary.

In Chaki's case study from India, kin became relevant in the later stages of firm development in the sense that when partnerships with non-kin ended firms' owners preferred to bring in their own kinsmen and kinswomen to share ownership. Similarly, in partnerships with non-kin, economic relations gave rise to moral obligations, which cannot solely be explained by market rationality or individual profit-seeking. Her discussion shows how small-scale businessmen in provincial India have to navigate between different factors promoting or hindering firm development, at times extending the morality of market relations beyond their capitalist assumptions, especially when relations of trust are being forged.

In the primarily small-scale enterprises that the contributions to this volume engage with, one would expect a morality of kinship – in the sense of favouring kin over others in payment and recruitment and/or expecting kin to inherit the firm – to be fairly constant. Yet we find that Hornig's case contradicts this assumption, as Burman small-scale business owners in Myanmar do not want to employ close kin (apart from spouses) and equally clearly do not want their children to become involved in the same firm, let alone inherit it. In Deniz's case of medium-size firms in Anatolia, although they observe the expectation that they should employ their relatives, employers have different short- and long-term expectations of close and distant kin respectively. Also, these relations of kinship are open to interpretation, being seen as unmodern and against economic rationality (because they contradict merit-based recruitment) or because being a relative is a status that needs to be earned. Tocheva's rural example demonstrates similar variations in moral expectations; close kin are no longer recruited on the basis of a generalized reciprocity in the provision of unpaid labour, but of social pressure (i.e. being close), as well as being justified as a system of trust in the informal economy of post-socialist transformation. Szücs's example from tobacco shop employees illustrates how kin relations could be a subject of paternalist care by employers; that they protect jobs when employees become ill and have to as single parents provide for their families. Here, it is the employer who cares and protects the employee (and her kin) and not the state laws, even if these exist. Rajković's example of the relevance of kinship is probably the most surprising, given its large-scale context of industrial PPP in car production. Kinship remains a stable context of moral expectations – this time, however, on the part of management – namely that relatives should inherit jobs in the car factory as they did in the socialist past.

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Notes

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1. *The Economist* called this 'the most dramatic extension of state power since the second world war'. *The Economist*, 28 March 2020, p. 10.
2. Before the pandemic, the moral dimension of the economy was omnipresent in public discussions; for example, when a conglomerate like Siemens was criticized for the ecological consequences of its support for the Australian coal industry. The company's policy was challenged not only by media commentators but also by shareholders for being morally dubious and doing ecologically damaging deals. See the article and comment by Thomas Fromm, 'Siemens: das falsche Signal' and 'Kleiner Auftrag, großer Ärger' in *Süddeutsche Zeitung*, 14 January 2020; also Marc Beise, 'Konzerne und Moral: Saubere Geschäfte' and 'Jetzt auch Ärger mit Aktionären' in *Süddeutsche Zeitung*, 17 January 2020.
3. Abend (2014) places the moral reasoning of firms firmly in the moral background of business ethics. For more specific discussions of corporate social responsibility, see Garsten and Hernes (2009) and Pitluck (2009).
4. We diverge here from other works on moral economy that have focused on markets, ethics and consumption, see for instance Browne and Milgram (2009), Carrier and Luetchford (2012), Makovicky and Henig (2017), Mandel and Humphrey (2002).
5. For a broad contextualization of Thompson's and Polanyi's arguments and those of their contemporaries, primarily economists, see Rogan (2017).
6. His 1971 journal article 'The Moral Economy of the English Crowd in the Eighteenth Century' as well as his 'The Moral Economy Reviewed' are chapters of this book.
7. References to Fassin's work are to the online English version of his 2009 publication.
8. For another look at Thompson's and Scott's respective uses of moral economy but with a new focus on contemporary peasant economies and their global connections, see Edelman (2005).

9. Hann, who provides a detailed summary of Fassin's essay, criticizes this plurality. See Hann (2018: 229–30). Fassin is aware, however, that Thompson's renunciation of the concept is related primarily to this understanding of the moral economy in plural terms.
10. I owe this point to Sam Williams.
11. In comparison to the volume edited by Hann and Parry (2018), for instance, the focus here is on the social organization and moral dimension of work relations in smaller settings, and not on class and precarity in large industrial settings, as in their volume. For another similarly useful edited volume where workplace ethnographies, gendered lives and social relations beyond workplaces are discussed, see Narotzky and Goddard (2017).
12. See also Terpe (2018) for a critical discussion of Weber's spheres of value.
13. I thank Sam Williams for pointing out these broader connections.

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1



Freedom and Control

Analysing the Values of Niche Business Owners in Aarhus, Denmark

ANNE-ERITA G. BERTA

The good life is the life you have chosen for yourself.

—Ole, owner of a bakery

Introduction

Focusing on three niche businesses in Aarhus, Denmark, in this chapter I show that what their owners have in common is a search for the good life, involving being recognized as good in the eyes of others via maintaining a balance between ethics and profit, as well as maintaining a work¹ something exemplified by the quote from Ole above. These business owners operate in a ‘moral economy’ in which they find themselves in relations of mutual dependence with their customers when it comes to fulfilling their desire for the good life.

For example, in the bakery they owned, Marie and Ole’s business bore witness to their dedication to this idea that the good life is woven into the virtue of being good, a topic recently revisited by Chris Gregory and Jon Altman in their edited volume *The Quest for the Good Life in Precarious Times* (2018). Their values point towards a moral economy in which the values of justice (just price), local production (preference for the local) and (more than) fair working conditions for employees are central.

All businesses depend on customers to make profits. However, in the mainstream market economy, customers can find the same products in different shops and are not limited to what a specific shop has. Niche firms, on the other hand, offer something special and often unique that cannot easily be found elsewhere. The special product can take the form of a specific

commodity, a form of expertise or a service. In this chapter, I argue that the business owners in my sample,² as representing niche economies, seek the good life by doing something they enjoy and find meaningful. I will show that social recognition and self-fulfilment are important but only as long as owners are free to control the balance between good ethics and making a profit. These business owners act within a moral economy consisting of mutual moral obligations to their customers.

Several scholars have highlighted the social aspects of economic life. Karl Polanyi (2001 [1944]: 48) argued that non-economic motivations are always primary in the economy (*ibid.*) and that social acceptance and recognition are higher goods than material values. Similar claims have been made and exemplified in discourses on the economy, morality and ethics. For example, Chris Gregory states that, '[w]hile the quest for money is part and parcel of the quest for the good life, it by no means defines it' (Gregory 2018: 8). Human sociality is also central to theories of the gift economy and exchange theory (Mauss 1966; Bloch and Parry 1989), as well as political economy (Thompson 2010 [1971]; Scott 1976) and discourses on economy and ethics (Abend 2014).

E.P. Thompson (2010 [1971]) argued that solidarity among eighteenth-century British working-class communities was achieved through their members' support for, and belief in, a set of shared values, norms and obligations regarding livelihood. His idea was that when the market is just, everyone benefits. However, Thompson's notion of a moral economy has been criticized for being too specific, just as others have been considered too general (see Hann 2018 on Fassin).³ Furthermore, the relatively recent interest in ethics in the business sector reflects similar aspirations to stress the social in economic action. Gabriel Abend (2014) shows how a concern for business ethics generates both social and economic profits. In a similar vein, James Carrier (2018) argues that the spheres of morality, the economy, sociality and politics should not and cannot be viewed separately, as they are all embedded in each other, making it impossible to tell where one starts and another ends. As a solution, he suggests (2018: 18) that a distinction be made between the moral values that form the context of economic activities and those that are derived from them, thus understanding moral economy as 'the mutual moral obligations that arise when people transact with each other over the course of time'.

The business owners we meet later in this chapter operate within a moral economic framework in which they feel obliged to act in a certain economic way in order to fulfil the moral expectations of other individuals.⁴ The firms and business owners in the niche economies I have examined organize their work and production within historically rooted and mutually developed relations that resonate with 'moral economy' in the senses

discussed by Hann (2018) and Carrier (2018), as well as Thompson (2010 [1971]). ‘Moral economy’ is visible in the way Julian the goldsmith will only make jewellery of a specific quality and uniqueness, differentiating what he produces from the output of mass-producing firms. The moral economy at work here is an economy in which merchant and consumer are mutually dependent. Customers need niche businesses to fulfil their desires for unique and specialized items, while the business owners are dependent on their customers in order to live good lives with the freedom to control their own firms. Moreover, the business owners stress their ethical profile through, for example, the specific origins of their supply (organic, locally produced), prices, fair working conditions for their employees or ethical trade. This ethical profile may be understood as rooted in the moral economy of the niche economy, where niche business owners share a concern for quality and local production as well as an obligation towards their customers.

In conversation with Sally, another of my business owners, she argued that when dealing with the economy and the place of money it was important to know what is ‘right’:

You know, there are two types of money. There’s the money that has blood and human lives on it, and there’s moral money [*moralske penge*]. [As a business owner] I constantly have to evaluate what is morally and ethically right, but luckily for me, I *know* what is right. (Excerpt from conversation with Sally, my translation)

However, I also argue that the business owners’ primary motive is to achieve freedom for themselves. In their search for a life of freedom, niche business owners must show that they belong to a ‘moral economy’ by promoting values concerning quality and expertise and by having a mutual relationship with their customers.

Background

On the tip of east-central Jutland lies Denmark’s second largest city, Aarhus, a small city by European standards, with only 300,000 inhabitants. However, it is significant in economic terms, as it accommodates some of Denmark’s largest businesses, such as the world’s largest wind turbine producer, Vestas, and Scandinavia’s largest exporter of dairy products, Arla. Aarhus has a profile as a rapidly growing business centre. The kind of growth we see in Aarhus, like Denmark as a whole, is marked by financial institutions and a number of stock-based corporations. After the First World War and various financial crises, the Danish state regulated

the market by placing strict regulations on imports, exports and labour (Storli 2011). Now oligopolies dominate a growing number of sectors, a development that has been encouraged through government regulations to improve the competitiveness of the economy. This type of market came with neoliberal principles of open, free competition that gradually evolved after the Second World War, after Denmark joined the European Union in 1972, and continued throughout the 1980s.

The period after the Second World War was characterized by the development of a universal welfare state based on the idea of equality (*lighed*) and that each citizen should benefit society by being active in the labour market and paying taxes to the state (Bejder and Kristensen 2016). Since then, the state has allowed more and more private providers to compete by offering private services in spheres that were originally considered public, such as health, education and public administration. The private sector was given the freedom to grow in what was gradually becoming a more liberal market state. Following the global financial crisis in 2007–2008, the Danish government introduced a security package to protect large corporations from bankruptcy and thus make them invulnerable to financial crises (Lundkvist 2009; Pedersen 2011). This state-supported development has made it difficult for small enterprises to compete without the state protecting their security. However, some small niche businesses have continued to thrive without growing beyond a certain size.

In this chapter, I explore the values and motivations of the owners of a bakery, a goldsmith's and a toyshop. Though not having much capital, they were resilient. The goldsmith produced to order and self-identified as a creative artist. The bakery owners displayed some of the characteristics of artists and craftpersons in producing hand-made and therefore unique goods, or developing 'a name' or brand.

The three firms in my sample were each owned by one to three individuals who were related either by descent or marriage, and they were all of north European descent. They belonged to the category that Danish national statistics refer to as small businesses (*små virksomheder*) or micro-businesses (*mikrovirksomheder*), meaning that they had between 10–49 or 0–9 annual full-time employees respectively (Jensen et al. 2016). According to the EU Commission Recommendation of 6 May 2003 Concerning the Definition of Micro, Small and Medium-Sized Enterprises, small businesses have a maximum yearly income of €50 million: these firms were all micro-enterprises with yearly revenues of between €80,000 and €660,000. They were also small in the sense that their initial capital outlay amounted to DKK 50,000 (approximately €6,690) or less. Furthermore, the firms were all independent (*uafhængig*), meaning that they did not belong to a corporate group.

The shops all represent different niches in commodity production and retail sale, and those who were commodity producers were also distributors. For instance, the bakery specialized in the production of a unique, organic, local, vegetarian, home-made sourdough bread with a limited selection and a pastry-only principle, meaning that it did not offer coffee or other beverages. All businesses were located within the city centre, and all owners were involved in, and controlled, all areas of their businesses, from production and finance to distribution and incidental work. Most businesses were profitable, but all had mortgages or loans to pay off. The owners, who were between 27 and 58 years old, earned a low to average Danish salary (approximately €42,840 in 2017 ('Gennemsnitsdanskeren' 2018)) and had different mortgages on their private homes and cars. None of them owned secondary homes, and while some took salaries, others took profits.

Being Good: The Virtues of a Well-Lived Life

In the following, I introduce three different business owners and discuss their perceptions of the good life and their virtues and values.

Sally, the Toy Shop Owner: 'I Only Sell Good Products, not Cheap Plastic'

Sally, a woman in her fifties, was the second-generation owner of a toy shop. She lived in an apartment she rented from her mother, the previous owner and founder of the business. When Sally's mother started the business 45 years ago, she sold mainly yarn and cloth nappies. Although Sally still offered both, her main merchandise was toys, due to a change in customer demand. When Sally's mother was managing the business, she outsourced the production to other small firms; the yarn and raw materials were sourced from a local Danish firm and then the clothes were sewn by a local, Aarhus-based tailor. Four years ago, Sally's mother's main wholesale customer ended their arrangement and expanded with their own shops across the nation. The business sustained great losses and came close to bankruptcy; it was then that Sally was invited to manage the shop. When, after the first few years, Sally had more than quadrupled their revenue, her mother gave her full responsibility for the firm and started the process of a formal change of ownership. Sally's success has continued to grow, and when I met her for the first time, her shop was widely known in the city and beyond for hand-made children's clothes and ethical, pedagogical (*pæda-*

gogiske), ‘poison-free’ toys, following her mother’s principles of local, clean and ethical production.

Sally and her mother felt that their products should be produced as close as possible to where they were being sold. For the yarn and fabric, that meant within Denmark and Aarhus; many of the toy suppliers were Danish too, but some were German or sourced from other European countries. Clean production, moreover, meant production using minimal amounts of harmful chemicals or none at all.

The idea of ethical production was also linked to employment conditions. Sally expected her toys to be produced under fair conditions, with insurance for workers, fair salaries and other basic rights granted and implemented by the EU and the Danish state. The children’s clothes were designed by Sally and her mother and then sewn by a local tailor, who worked from home. Although the demand for them was greater than one tailor could meet, Sally did not want to expand production, partly because it had proven difficult for her to find additional tailors she considered talented enough, but she ultimately felt quality control would prove harder to monitor with increased production. The tailor was delivering the finished garments every other week, and Sally would closely inspect each piece before passing it for sale in her shop.

Sally talked dismissively about what she referred to as ‘cheap plastic’ – that is, poor-quality plastic consumer goods sold at a low price. Her products were made to last, and she could place herself and her products in an ethically superior position. She had weekly contact with all her suppliers and always reflected on her own values whenever she considered accepting new products or offers from new suppliers. She also claimed that she did not make a profit from the yarn, which she sold at cost price. This was a charity, she claimed, to encourage the ‘joy of knitting’. The choices Sally made for her business indeed made her ‘good’ in the eyes of her customers.

The concern for ethical consumption, either by choosing goods that are produced under fair working conditions, with a concern for the environment, or by minimizing shopping, is an increasing trend in Europe and North America, where so-called ethical goods are increasingly popular (Carrier 2012). Sally constantly used a rhetoric that attributed negative associations to ‘the others’ – that is, corporate chains. Whereas these ‘other’ businesses sold ‘cheap plastic’ that ‘did not last’, she and her firm were different. She used the same rhetoric about the managers and employers of such businesses, whom she often spoke about as being motivated by money and power. By placing herself in opposition to these ‘other’ firms, Sally was seeking approval. She valued the small, durable and local over the

large, foreign and of poor quality. She belonged to a niche economy where it was more important to offer something ethical, special and unique than maximize profits.

Sally had won recognition as an ethically 'good' business owner through regular reports in national and local newspapers. On moral grounds, she had been part of the yearly criticism of 'Black Friday' in denouncing the adoption of what she referred to as a 'destructive American shopping spree' on the last Friday in November. Sally had taken a stand in public debates as a clear voice against consumerism and the culture of 'buy and throw'. She presented herself as a business owner who offered an alternative to mass consumer culture, despite having to act within what is clearly a consumer society. She was known on social media such as Facebook and Instagram and through word of mouth among the inhabitants of Aarhus and beyond. She received good reports from customers travelling from other towns and cities especially to visit her shop, and some online customers had called, emailed and wrote notes and letters expressing their appreciation of her 'unique' business and personality. Fellow shop owners within different niches had also passed on reports of their own customers having expressed enthusiasm for Sally and her shop.

The recognition Sally received validated her business as ethically good and gave her encouragement to keep going. In making people feel ethically good about themselves, shopping in a place that eschewed negativity in respect of social justice, pollution and the environment, her business was a success.

I looked at 103 reviews of Sally's business (including eighteen from customers I interviewed), and 100% gave her five out of five stars.⁵ The reviews confirmed the notion that Sally had created a space where people could shop with a good conscience, a common feature of all the firms I studied.

Sally would not admit that she was interested in profit, but regardless of her inner motivation, her business was profitable. Like the other business owners in my sample, she was unwilling to expand her firm, arguing that her business was only successful because *she* was controlling it. If she expanded, she would have to let some of this control go to someone else, and that was not an option for her. However, the control she demanded did not provide her with the freedom to take a day off or close the shop whenever she felt like it. She was constantly concerned with making a profit without compromising any of her ethical principles. By insisting on not expanding her business, she ensured she had the control and freedom to run the business in her own interests. The social recognition she received from her customers and her reputation as a renowned business in the city were undoubtedly an important motivation in maintaining her business. The self-fulfilment she acquired from successfully managing a specialized,

unique and ethical firm proved significant for why she refused to release her control over any area of the firm.

Marie and Ole, the Bakers: 'Coming Here Is the Highlight of Their Day'

How can a simple statement like the above be evidence of a wish to do good? Ole, a bakery owner, was, like Sally, concerned with being a good person. Ole and Marie had previously owned and built up an organic mushroom farm over many years. Before that, they had both pursued academic careers. After having children, they discovered that their careers were more time-consuming than they wanted. Their academic jobs had been well paid, and they had managed to save enough money to eventually buy, after three years of research, a farm and build up their mushroom production. Their children were involved in the work on the farm, and they could adjust their work hours to those parts of the day when their children were at school, in the kindergarten or asleep.

When their children moved away from home to study, however, they felt lonely on the large farm. Over the years, their desire to see other people and have daily, direct contact with their customers grew. They told me that they wanted to see the direct results of their work in the appreciation shown by customers. When they sold mushrooms to restaurants and grocery shops, they did not get to experience direct feedback and appreciation from the customers, something they missed and longed for. When they finally decided to sell the farm, they were left with a significant profit and bought a town house in downtown Aarhus. They could afford to spend a year researching and experimenting with new ideas before they decided what they could do that was new. When they settled on the idea of starting a bakery, they stated that this was because it would give them the opportunity to satisfy their wish to work in a social environment where they had direct contact with their customers. They therefore leased a fifty-square metre business premises and spent the rest of the money from selling the farm in turning it into a tiny bakery.

Their plan was to sell a small variety of home-made, organic breads made from local ingredients. They wanted to offer products at prices that allowed young students and single parents – not just middle-class businessmen – to buy their bread. Their prices were therefore lower than comparable bakeries. They were able to offer lower prices for several reasons. First, they were able to start their business with some capital. Secondly, with no mortgage and all their children having moved out, and with no interest in having much leisure time or in spending money, they were happy with just a small salary to cover their costs. They planned to work with just the

two of them in the bakery, baking and selling the goods directly over the counter. However, their business quickly became an attraction, and only a few months after opening they had to hire some help. When I met Ole and Marie, they had nine employees (some part-time) and themselves worked six days a week from 3:00 AM to 6:00 PM, closing for just one day. Marie and Ole did all the bread-baking themselves. The employees, who were there to serve the customers, worked either a full day of eight hours or shorter shifts for students and part-time employees.

When Ole stated that coming to the bakery was the highlight of the day for their customers, he clearly believed he had succeeded in his aim of running a bakery that offered something good to its customers. Ole had specific ideas about what 'good' meant in this context, such as pleasant conversations and the feeling of being included, welcomed and part of a community.

In contrast to Sally, Ole did not make comparisons between himself and big business owners so often. Instead, he frequently referred to himself as someone who valued modesty. For instance, he mentioned that he and his wife did not have any interest in spending money: it was not something they were good at. When I asked about his car, he would say that they had precisely the car they needed (not an inch larger or fancier than necessary). Ole's simple lunch is another example of how he valued modesty: Denmark is a country where lunch is eaten with a knife and fork. Bread usually comes with several types of spread and dressings. A thin slice of yesterday's rye bread with a small piece of cheese that covered less than one third of the bread, combined with Ole's choice of instant coffee over 'real' coffee were clear value markers of a modest consumer: he could certainly afford the time and money to buy himself real coffee and a fancier lunch.

Ole continuously strived to meet his customers' desires, often at the cost of his own. For example, Marie and Ole had planned for it to be just the two of them in the bakery, with shorter opening hours and fewer products. However, their customers' demand for a greater variety of products soon pushed them to start making different breads, cakes, buns and other pastries that they had originally not wanted to do. They also extended their opening hours and expanded the business with more and more employees.

By the time I met Ole and Marie, they had secretly started planning to close the business down. Although financially successful, they told me in confidence that they were unhappy with the situation. They did not want to work such long hours and wanted fewer products and no employees. But they also admitted that they did not want to let down their customers. They could not meet both their own and their customers' desires, because the customers were more than they could handle. The year after I left Aarhus, they closed their very successful and economically profitable bakery and

opened a small bakery in a different, much smaller town with fewer inhabitants. Their new bakery had shorter opening hours (from 11:30 AM to 5:30 PM), no employees and sold a small selection of bread and cheese.

Like Sally, Ole and Marie wanted to be viewed as good people. However, when the desire to be good and live good – to meet others’ desires as well as their own desires – could not be reconciled, they chose to escape from the situation in order to satisfy their own needs. This showed that social recognition and self-fulfilment came secondary to the value they placed on their freedom to control their own firm through a balance between work and life. In Aarhus, Marie and Ole had to work harder than they were willing to because of their firm’s popularity. By moving to a smaller town with fewer inhabitants, they were able to re-establish the firm as they had first intended it to be, with shorter opening hours and a limited assortment, and without the risk of growing beyond a size the two of them could handle. They hoped that their customers and employees would not be too disappointed with their decision.

Julian, the Goldsmith: ‘Here They Get Something More Than Just the Jewellery; They Don’t Get That at the Chain Stores’

Julian was a goldsmith in his fifties. Like Marie and Ole with their bakery, becoming a goldsmith had been a conscious choice he had made well into his adult life. Previously, he had been a manager with hundreds of employees for an IT business when he decided to do something completely different. Together with his wife, he decided to quit his job and sell his €100,000 sports car and his three-storey town house in downtown Aarhus and move to a small town outside to start studying at a goldsmith’s academy. For the first few years after his studies, he worked in commercial jewellery shops, but he soon missed being creative and working for himself.

Julian then got an offer of a lease on a six square-metre business premises, or rather a ‘room’, with no bathroom or running water, in downtown Aarhus, where he established his own goldsmith’s workshop and shop. He had spent the money from selling his sports car on buying enough raw materials to get started. He and his wife made an agreement whereby she would pay the bills while he would contribute whatever he could until he started making money.

After a year, Julian was offered a larger room, but it was still no more than approximately fifteen square meters. He now shared a toilet with a fashion shop and therefore had access to water. He installed a sink at the back of the premises and placed a worktable in the middle. The main thing was that he was doing what he wanted to do; the surroundings did not have to be comfortable or luxurious. By the time I met him, his firm had become

profitable, but he was only taking on the projects he wanted to do. If a customer came to his shop seeking something that that did not allow him a certain amount of artistic freedom, he advised them to go elsewhere. Like Marie and Ole, he was more concerned with living life the way he wanted than in making big profits.

Julian said that his customers got more from him than they did at any other jewellers, and there was no doubt that the jewellery he produced was better than commercial, mass-produced pieces. Julian made each and every piece of jewellery with his own hands, meaning each piece was unique. He planned the process together with the customer, and it was usual for a customer to make multiple visits and spend hours at a time with him. He did not offer mass-produced commodities. Like the other business owners working in niche economies, he expressed a desire for recognition and self-fulfilment that was not grounded in the wish for profits. Of course, it was in his interest to make a profit, as for any business owner; however, he claimed ethical superiority over larger commercial businesses. He referred to small, locally produced, hand-made, unique jewellery as better than mass-produced items. In addition, Julian strove to use only recycled gold and silver, as well as packaging that was certified as organic and that claimed to be 'environmentally sustainable' (*bæredygtighed*). He also offered lower prices to customers on a low income, a practice that likely made him feel good about himself.

Julian's success in gaining recognition was reflected in social media posts, such as Instagram and Facebook, where many customers posted their appreciation of the process and final products. Customers described multiple visits where Julian always took the time to listen, share ideas, and share his dedication and knowledge about the production process and the history and origin of the different materials he used. During the time I spent in Julian's shop, I regularly experienced customers coming by after receiving their finished order to show their appreciation, sometimes in the form of a note or card.

As we know, Julian left a financially more lucrative life in search of job satisfaction. His example shows that for him a meaningful life was dependent on the activities and outcome of his work. However, the work itself was not enough for a good life. He also expressed a desire for social recognition and to be ethical and environmental in his practices. His work was art, and he took pride in producing, exhibiting and sharing it with people and putting in an honest worker's effort (Hann 2018). Julian was convinced the job and his surroundings were more meaningful and 'better' than that of his corporate colleagues.

Although social recognition and self-fulfilment seemed to be important to Julian, he adjusted his schedule and work hours according to his own

preference. If he wanted a few days off with his daughters or to join an event somewhere in the city during his usual opening hours, he did not hesitate to close the shop. In fact, Julian had several handwritten posters ready to put on the door to inform customers that he had taken some time off (a day, an hour or two, or only for 'a moment') to do something other than work. At other times, when he felt like working more or had many interesting projects on the go simultaneously, he would work from early morning to late at night in order to meet deadlines. Julian would not reject inspiring, creative ideas, but he never took on more than he felt like doing.

Taken together, Julian's statements and actions suggest that his main motivation for self-employment was his desire for control and freedom. Julian exercised control and freedom in choosing which projects to take on, the hours he would work and his flexibility with opening hours. Unlike Marie and Ole, who offered everyday items of consumption and were therefore tied to regular opening hours, Julian was much freer to deviate from regular opening hours without disappointing his customers. Julian could make appointments with customers and in this way fulfil his desire to be away from the shop without deviating from his moral obligation to his customers.

Social Recognition, Self-Fulfilment, Freedom and Control

Social theories across disciplines have argued that one basic human need is approval from one's peers (e.g. Durkheim 1965; Aristotle 2011). Abraham Maslow's hierarchy of needs places esteem second highest in his pyramid of human needs, defining it as prestige and a feeling of achievement in the social community, surpassed only by self-actualization, which is about achieving one's full potential (Maslow 1943). The business owners featured in this chapter were greatly concerned with pleasing their customers and saw virtue in doing good for others. They enjoyed the social recognition they received in terms of customer appreciation of the products and services they offered. However, based on these business owners' actions and choices, I suggest that they were more concerned with the freedom and control that comes from being a business owner than they were with social recognition or self-actualization, even if these were certainly part of the picture. These business owners acted in a moral economy in which they strove to balance their own desire for freedom and control with the obligation to fulfil the needs and expectations of customers. Julian was morally obliged to fulfil his customers' needs but only as long as they shared his values of quality and uniqueness. We see that the actors in this moral economy could establish a mutual relationship with customers because they shared

the same values and understanding of what is good and important in the economic sphere (things such as quality, expertise, local or ethical production and, often, hand-made products). Customers were morally or socially qualified to establish a mutual economic relationship with the niche business owners.

My data suggests that self-fulfilment and social recognition became secondary when a desire for freedom and control was not being satisfied. Marie and Ole did not prioritize their Aarhus customers when they chose to close the business and move to another city. Julian enjoyed the positive reviews of his customers, and he listened to their wishes, but he did not hesitate to disappoint a customer if they wanted him to design something that did not fit with his own ideas about what was good design. Operating in a 'moral economy' has its limits if social recognition by the community comes at the cost of limiting individual freedom.

Being Good

Émile Durkheim argued that morality consists of a combination of desire and obligation, a system that is intrinsically social (Durkheim 2010: 17). Within the desire for esteem or social recognition, being accepted as good in the community ranks high. However, I suggest that the business owners' desire to offer 'ethical commerce' was not motivated mainly by the desire to be accepted as good. The emphasis on ethical business was just as much a way to differentiate themselves from the mainstream market and thus attract customers and ensure profit. Sally's stress on the distinction between unethical 'others' and her own ethical firm was essential to her success. Although there is no doubt that all business owners were genuinely concerned with fair prices, good working conditions for employees, locally produced goods with low-carbon footprints and products that were made to last, they were all traits that appealed to the customer. The business owners were concerned to adhere to what they understood to be the norms and obligations they shared with their customers, but they were also sensitive to the local variations in ideas about what was just and fair and good. They considered their own actions and choices to stay small in their niche economies as a matter of being true to themselves and what they perceived as important values: honest work, fair prices and ethical hours of work for their employees (Miller 1998; Wheeler 2012). Although the business owners agreed that it was important to them to contribute something positive to the local community, their main motivation for opening their own businesses was the freedom to control their own work and lives.

Concluding Remarks

The three business owners we have met in this chapter were all concerned with ethics. Marie and Ole cared about ‘just prices’, Sally about ‘just working conditions’ and ‘fair salaries’. Julian was ‘fair’ and offered lower prices to customers with lower incomes. They were all concerned with ethical production and producing ‘organically’. The shop owners’ search for recognition demonstrates the importance goodness had in their life.

Ideas of fairness are also reflected in the world happiness reports, where Denmark’s population scores high (Frederiksen 2019; ‘Danmark er verdens næstlykkeligste land’ 2019). In a society where all basic needs are secured, as in Denmark, the way to happiness is a virtuous life in which good actions are crucial in order to succeed. When Polanyi (2001 [1944]) argued against *homo economicus* in *The Great Transformation*, he put forward empirical evidence that humans are ethical creatures whose actions are based on feelings and desires that are related to social affiliation. In these examples, we see that the community decides the rules regarding what is good and what is not. Individuals strive to achieve recognition by following the norms and ethical guidelines of their own society. The British working class described by Thompson (2010 [1971]) was characterized by mutual understandings of solidarity and justice, and the double movement described by Polanyi (2001 [1944]) showed how people rejected the disembedding of the economy in a self-regulating market. Both these examples show that individuals as part of a mass are concerned with ethics of justice and solidarity. The same sentiments were used in the construction of the Scandinavian welfare states, which persuaded their respective populations to trust the state to distribute welfare equally in a just system marked by solidarity (Bendixen, Bringslid, and Vike 2018; Vike 2018).

So, what have we learned from the ideas and actions of a few small, independent Danish business owners? In common with other human beings, they had a desire to be judged as good by their peers. They acted in a moral economy where they were concerned with managing firms that contribute something good to the community they were part of. But more importantly, they were motivated to create good lives for themselves, by balancing the need to make a profit and please others with the need for freedom and control. The moral economy at work was seen in the way the owners organized their work and sales relationships in mutuality with their customers and by appealing to ethics. Ole and Marie cared about minimizing ecological damage by buying only from organic producers. They also cared about pleasing their customers’ desires for fresh bread, cheap prices and suitable opening hours. Julian was concerned with offering his customers something unique: he wanted them to feel good in knowing that the jewellery they buy from

him is unique. Sally cared about providing her customers with something that lasts ‘a lifetime’.

Moreover, they all placed themselves and their ways of doing business in opposition to large firms who mass produce. They expressed their discontent with mass consumer culture and strove to offer something they believed is better for the community. In philosophical conversations and guided interviews, they all expressed a desire to do something different. They had all been employed in different sectors before they started their own firms. They were all motivated by the desire to be their own boss and create a good life for themselves.

However, they are not examples of ethically concerned business owners but of owners on a quest for the good life. All three business owners were concerned with the freedom to do things on their own terms, and in Ole and Marie’s and Julian’s case they were perhaps prisoners of this need up to the point where they broke loose to do their own thing and /or closed their business to start over again, hoping that the next time they would be able to manage things according to their own needs and desires.

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Notes

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1. Niche businesses are small businesses specialized in one or a few particular, possibly unique products, services or themes. The businesses in this chapter include a bakery that hand-makes cakes with organic ingredients on-site, a jeweller who makes unique, handcrafted pieces and a toy shop specializing in non-plastic, chemical-free toys.
2. I conducted fieldwork in Aarhus between 2015–2016, where I spent most of my time with the owners of six different independent businesses and interviewed an-

other 32 business owners between one and six times; in this chapter I concentrate on just three of the businesses I studied.

3. Chris Hann argues, for instance, that Didier Fassin's (2009: 1249) understanding of a moral economy as 'the production, distribution, circulation, and use of moral sentiments, emotions and values, and norms and obligations in social space' is too broad (Hann 2018: 229).
4. These individuals are citizens of one of the world's most successful welfare states, with a high level of social security. The likelihood of attaining one's desired life is notably higher here than in a society where universal welfare rights are absent and the economy is more turbulent. However, I stress that in general these business owners are representative of the average Danish citizen and should not be confused with the more privileged business elites in Danish society.
5. Nineteen of these reviews were selected randomly from Facebook and 66 were google reviews. The bakery had received five out of five stars and exclusively positive comments in all 197 of their Facebook reviews. The goldsmith had five out of five in 71 reviews.

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2



The 'Good' Employer

Mutual Expectations amidst Changing Employment Situations in Pathein, Myanmar

LAURA HORNIG

Introduction

Myanmar has recently been experiencing far-reaching economic changes. While a market-led economy had already been introduced in the early 1990s (albeit with continuing state control over key sectors), the political changes since 2011 had increased the pace and extent of change considerably. Despite overall economic growth, the country has become increasingly characterized by stratification on the basis of wealth. While the economic changes have benefited some, a considerable number of people have been left behind in an intensifying struggle to balance income and expenditure amidst rising prices for basic goods and land.

This chapter is based on ethnographic research in Pathein, a medium-size town in lowland Myanmar. In my research, I explore the links between morality and economic thoughts and actions in Pathein, focusing mainly on the owners of small businesses.¹ I look firstly at people's attitudes concerning the respective merits of self-employment versus low-status employment, and secondly at relations between employers and non-family workers.² I describe the influence of the first on the second. I begin by underlining the importance of values, in the form of widespread attitudes and ideas of what is desirable here in economic matters, particularly emphasizing the preference for autonomy among potential workers. I identify this preference as one factor that contributes to a high labour turnover, which can force employers to take their responsibilities seriously and make concessions. This indicates how economic activities and therefore realities are influenced by the values people hold and by their moral

considerations, an observation that constitutes common ground for all ideas of ‘moral economy’.

Secondly, I shift my focus to workplace relations and deal more specifically with the type of ‘moral economy’ described by James Carrier (2018: 24). Here, a specific form of economic interaction between people, in this case employer and workers, entails a moral force that has more to do with obligations than with values (*ibid.*: 23). While a lot has happened to the concept of ‘moral economy’ since its emergence, this obligation-focused understanding comes close to the original contributions (Thompson 1971; Scott 1976). It understands culturally shared assumptions as being related to the issue of how the parties involved should behave and which reciprocal duties exist between them. These assumptions have been shaped by a history of economic transactions between specific people and groups. If such expectations are disappointed, a person’s behaviour might be regarded as immoral.

Analysing such relationships allows me to show the place of considerations of moral economy in its dialectical relationship with the realities of the labour market. It is cases in which these expectations confront changing economic realities that are of interest here. Moral and social factors are often overlooked in conventional economic analyses, yet we know that all economies remain ‘embedded’ in social relations (Polanyi 2001 [1944]; Gudeman 2008), even if they do not always result in a visible moral outrage like the eighteenth-century English working-class protests discussed by E.P. Thompson (1971).

Clearly, workplace relationships are marked by hierarchies and inequalities between employers and workers, with moral expectations facing both sides. Below, I outline how these expectations shape the unequal relationships between employers and workers and their activities. What strategies do employers implement to attract and keep workers? What characterizes a ‘good employer’ according to the workers, and what happens when these ideas clash with new formalized employment situations of the sort one finds in large, foreign-owned garment factories? To make comprehensible the basis on which workers and employers raise their expectations and implement their actions, I start with a common problem repeatedly voiced by owners of small businesses: the difficulty of finding suitable workers.

Autonomy and Work

Myanmar has seen a process of urbanization, with large numbers of people from the rural region surrounding Patheingyi migrating directly to Yangon, bypassing the provincial capital. Smaller towns like Patheingyi in particular do

not yet offer many new and attractive employment opportunities to absorb these rural migrants. Owners of small businesses complain regularly how increasingly difficult it is to find workers, especially those who are reliable and willing to work for long periods in the same business. This problem does not apply only to small businesses. After 2011 and the apparent 'opening up' of the country, Myanmar was branded an attractive location for investors. Given the country's large and youthful labour force, prospects seemed promising for factory owners – for example, in the garment sector – in what some called 'Asia's final frontier' (Parker 2016). However, just like local small businesses, the big new garment factories found themselves struggling with high labour turnovers, regardless of the fact that they were offering workers regular employment and high wages³ (for data confirming this observation, see the large-scale surveys of DEval 2015, CSO & UNDP 2015, Bernhardt et al. 2017). Why was that?

The situation of a high labour turnover going hand in hand with work-related disillusionment is not a problem specific to Myanmar and has been described for other transitional contexts as well (e.g. Morris and Hinz 2018: 250 on Russia; also Carswell and De Neve 2018: 314 on India). In Pathein, workers or potential workers found that the available employment options often not only pay less but also bring no more structural benefits compared to small-scale self-employment. While it is not uncommon for employers to support their workers to a certain extent beyond their wages (see below), there is no functioning state-run social-security system for most private-sector employees, meaning that employment does not bring them any benefits such as state-organized pensions, unemployment benefits, parental leave and the like. However, apart from the purely economic aspects, there is also a dimension of values at play here, in interaction with economic conditions. To shed light on this, I describe the commonly shared attitudes of those who could potentially work in factories and small businesses but have opted for small-scale self-employment instead. I analyse this phenomenon through the concept of autonomy and argue that it is partly due to a preference for autonomy among many potential workers that business owners find it difficult to find and keep workers. When talking about small-scale self-employment, I refer to those whom the Myanmar census classifies as 'own account workers',⁴ including all those who run a one-person workshop or stall, mobile vendors, and trishaw and motorcycle taxi-drivers. One of them is Ko Ko.

I observed Ko Ko a couple of times pushing his wooden cart loaded with six plastic containers along the sandy roads near Shwezigone Pagoda in central Pathein. He filled the containers with water from a well in the monastic compound and sold it to people on the road or on their doorsteps. Ko Ko was in his forties and lived together with his wife May Wah and their

nineteen-year-old son in a simple, one-storey, half-open wooden house in one of Pathein's northern wards. Ko Ko never complained, but I knew that he could barely make ends meet. While his wife, who produced and sold small pottery items, was originally from Pathein, Ko Ko had grown up in a township south of Pathein. His entire family had 'gone with "Nargis"', as he put it, referring to the devastating cyclone of 2008. Ko Ko and his wife owned a tiny piece of land on which their house stood, but they had no savings. They had been able to let their son finish high school and start a course at Pathein University. However, in a later phase of my fieldwork, they confirmed that they had asked him to suspend his university education, to his great disappointment, as they needed him to find work and contribute to the family income. The Chinese-brand motorbike they had recently purchased on credit would take them many months to repay. However, they felt they needed a motorbike for transportation; for example, for visits to the doctor or to buy groceries in areas where the prices were lower than in the small market next to their home.

'Our neighbour's daughter has started to work in the industry park,' Ko Ko told me while pushing his cart, referring to the large garment factories on the edge of the town. He continued:

She cannot rest when she feels tired. She cannot go home when her child needs her. She cannot even take a few minutes to go to the toilet sometimes. Because the employer does not arrange transport, she loses a part of her income in paying for transportation to the factory in the morning and back home again in the evening. Actually, she is already thinking about quitting again.

Ko Ko liked to decide for himself when to work and when to rest. He would sit down in the shade of a tree when the afternoon sun got too hot or when the rain started pouring down in the monsoon season. 'We are not educated. We do not have many options,' he said, describing his economic and social standing in society. For him, prestigious and secure occupations, such as government administration, engineering or medicine, were out of reach. He could only choose between various local low-income, low-status jobs, such as factory work, carrying salt bags, unloading ships and stocking shelves in corner stores. Instead, he opted for small-scale self-employment and had been selling water to people for several years. This was one of the few things he had the power to decide over. After all, self-employment allowed him to maintain a certain autonomy. He added a moral dimension to his work by saying: 'Water is pure. And important.⁵ In my work, I don't break any rules, I do not need to engage in any illicit activities.'

The option of self-employment was especially viable for worker-residents in Pathein who stayed in the area. They were familiar with the available options, had a place to stay and were linked in networks, which made it

easier for them to engage in small-scale self-employment. Migrants from the surrounding countryside, in contrast, were more likely to take on jobs in factories, the shipyards or small businesses. They had no networks and were more reliant on shelter provided by their employers. This indicates that people's choices cannot be assessed without taking into account their very real economic options and constraints.

Nevertheless, the preference for autonomy was also present among many who were currently engaged in employment. I visited a group of women who were working in Pathein's recently established large garment factories, and they all expressed a clear wish to open their own sewing businesses once they had enough money and experience. While the garment factories offered stable and relatively high wages, workers reportedly suffered from subordination to supervisors, combined with other negatively perceived aspects of their work. One elderly local woman, whose two daughters had gone to Yangon, one working as a housemaid, the other in a factory, replied to my question about which daughter had the better job: 'It's the same. Both have to work for someone else.' To her, the defining feature of these very different jobs was the element of subordination.

The topic of autonomy has been addressed specifically in relation to communities in Southeast Asia (see Sopranzetti 2017 on Thailand). Specifically for Myanmar, Michael Adas has commented on the colonial economy, in which industry was dominated by Europeans, Chinese and Indians. According to his studies, this was not only due to the systematic exclusion of Burmans by their rulers, as in many cases Burmans themselves apparently favoured agriculture over industrial occupations in the cities; partly because the latter were regarded as low status, while farmers, at least those who owned the land they worked, could remain their own masters in the countryside (Adas 2011 [1974]: 120). A loss of autonomy in urban industrial tasks was linked here to a loss of social status.

In my observations, the reluctance of workers to subordinate themselves to a boss – that is, the value of autonomy (in Burmese: *lu'la'hmu.*) – functions here mostly in the sense of self-determination. This self-determination must be analysed with reference to other factors surrounding it and its different possible purposes. When we talk of people who can potentially be hired as non-family workers in businesses, we are usually dealing with those for whom higher formal education and prestigious employment seem way out of reach, who are often struggling to make ends meet, many of them facing indebtedness. When informants talked about themselves, they would generally mention their origins (rural or urban), religion and ethnicity (e.g. Karen, Burman or Chinese) and add fairly quickly what they studied (whether it played a role in their current work or not) or state that they are 'not educated' (*pyinya ma' ta' bhu.*). This way of identifying and

classifying oneself functioned almost as a label of one's social standing, as well as an assessment of one's opportunities. Among such people, who feel they have almost no opportunity for upward mobility, opting for small-scale self-employment over working for someone else can give them more freedom, pleasure and dignity.

To disentangle the value dimension further here, it is necessary to differentiate between several aspects of autonomy in the context of work that can be grouped roughly into matters of flexibility and matters of dignity. To understand which of these aspects are at play, we must ask, for each specific situation, autonomy from what or whom, and for what purpose? As indicated by Ko Ko at the beginning of the chapter, choosing self-employment over employment offers people more control over their tasks and time, and hence the freedom and flexibility to fulfil individual desires (such as resting on a hot afternoon). With this flexibility, people are able to respond more easily to the demands of relatives or emergencies, such as caring for a sick child, thus offering what Kathleen Millar (2014) calls 'relational autonomy', which reminds us of the fact that a preference for autonomy cannot be equated with a general avoidance of social obligations. This had relevance especially for women, who are primarily in charge of caring for children and the elderly. Choices, even if shaped by underlying values, are, after all, always embedded in social expectations, of which gendered care obligations are one example. In Pathein, many women worked from home so as to be able to look after their children. They made fans from leaves, sold snacks from their houses, or worked at small-scale crafts.

The aspects mentioned above are related to flexibility. Analytically, we must distinguish them from another important issue when looking at people's preference for autonomy: the lack of willingness to obey a superordinate in the workplace. This is important not only for reasons of pleasure but also of status. It speaks to Ward Keeler's understanding of autonomy as a key value in Myanmar's Buddhist population, which he sees as an attempt by people to avoid the problems and demands that arise in locally prevalent hierarchical social relations (2017). However, in work matters, autonomy is not generally the option that brings more dignity and higher status. Here, we need to differentiate between different economic groups and the respective conditions they face. That became clear already when I referred to the different options for migrants versus local residents in Pathein, but it applies to other differences as well. It should be noted that, if someone is well educated and has the chance of prestigious and stable employment, he is likely to enter into highly hierarchical work relations, such as in the public sector. After all, 'doing business' is regarded as rather ambivalent and does generally not seem to entail much prestige among Burmans (see also Keyes 1990, on Thailand) and people are willing to give up autonomy (and

even income) for more prestigious positions and social upward-mobility, if possible. Thus, although widespread, self-employment is rather an economic necessity than an occupational dream for many because respectable and well-paid employment is rare. However, as mentioned earlier, among those with no access to prestigious employment, the avoidance of subordination can increase their feelings of dignity (*thei'ka*).

Such layered observations show how the meaning of a specific value like autonomy varies across classes, reminding us that values must always be studied within the context of people's specific socio-economic situations and the opportunities and constraints these entail. For the many for whom prestigious jobs were out of reach, working for someone else in low-paying, low-status jobs was seen as further degradation. I encountered several people who migrated for work, to the city or even abroad, and had only dared to inform their parents once they had reached their destination. The kinds of jobs awaiting them were linked to feelings of shame, from which they tried to spare their parents, while still asserting autonomy in the realm of the family by going on these journeys without seeking parental consent.

The feeling of humiliation (*thei'ka kya. de*) was increased when workers experienced direct belittling or other rude treatment from their superiors at work. Several people reported or repeated rumours of negative experiences with employers or labour contractors, which included rude behaviour, as well as withholding wages. This was said to happen especially in short-term and rather impersonal employment situations, such as road construction, where workers are hired for only a few days, weakening the 'moral economy' at work. The different aspects of autonomy – both flexibility-related and dignity-related, as well as the economic factors – that I have sought to disentangle analytically are in reality often intermixed. This was clear in the following statement by Ko Ko's neighbour. As he anticipated, she quit her factory job after just a few weeks working there for the following reasons: 'I did not like working there [in the factory] because the supervisors were always shouting. We constantly had to follow their orders. It was tiring; we had almost no breaks. Also, I had to give my child away to someone else to care for her, and I prefer to do that myself.' After examining how certain values, like autonomy, can be linked to the economic considerations that workers make, I now shift the focus to the employers.

The Employers

To make their businesses run smoothly, business owners have to restrict the autonomy of others, namely those whom they need to work for them. Keeler speaks of 'elective subordination' (2017: 156) in describing how lay

Buddhists become the followers of a specific monk by providing material support through donations, something the monks rely on, while in this way the lay followers may establish a connection that offers them access to spiritual power. I see a process of ‘elective subordination’ taking place in the work sphere as well, though obviously with a different purpose. For someone to take a job in a workplace, the conditions must be good enough to give up their autonomy. In other words, the employer needs to be an employer worth submitting to. As labour turnover is high in Pathein, and workers usually avoid open confrontations with superiors, leaving a job to escape unsatisfactory conditions or to find a better opportunity elsewhere was widespread. For this to happen, there had to be no specific factors making it hard to leave, such as being bound to the employer by advance payments or the pressure of social ties, for example, in having other relatives who were already working for the same employer. To attract workers, business owners need to be able to guarantee stable incomes and fairly attractive conditions. The opening of several big garment factories in Pathein a few years ago added to the difficulties for smaller businesses like restaurants, retail shops and craft businesses in finding workers, as they now have to compete with factory wages. In the following section, I explore work relations between business owners and their unrelated workers, starting with payment strategies.

Payment: Money and Trust

Payment schemes in Pathein differed between workplaces. In potteries and other craft businesses, piece rates were common, while in other settings, like restaurants, grocery shops or rice mills, payment was made as a fixed sum per month. In many of these small businesses, payment was made in advance to the workers, often for several months. Advance payments in different forms occur in many places in the world, and while they constitute a form of debt bondage, advance wages, or loans on top of wages, are also actively asked for by workers (De Neve 1999: 392). In fact, workers in Pathein often made it a condition for accepting a job, and employers would explain such payments by saying ‘I *have* to give the money in advance’, while mentioning that they would actually prefer to test first whether a worker is good and reliable.

Advance payments can function both ways: the employer can trap the worker in debt and bind him to the firm, but it is also a crucial form of assistance that many workers actively demand. Economic hardship and indebtedness make it necessary for many workers to seek the immediate payment of larger sums to allow them to make crucial purchases or repay

loans. Jan Breman (2010) described a system of 'neo-bondage' in India that characterizes work relationships between low-caste cane-cutters and sugarcane factory owners. It consists of an extra advance loan that needs to be paid back, plus the owners holding back actual payments until the end of the work season. Breman uses the prefix 'neo' to contrast this practice with earlier forms of debt bondage, which came with a range of other responsibilities for the employer and were passed on from generation to generation. The 'neo' form of bondage occurs in an industrial setting, is only seasonal and lacks the earlier aspect of patronage, such as providing long-term security for the worker's family. In urban settings in today's Myanmar, there is usually no long-term relationship between employers and workers that lasts several generations and includes all-encompassing security, meaning that work relations resemble more the second kind of debt bondage that Breman describes for industrial settings, in which agreements are strictly limited to the work period. Also, the support that goes beyond salaries remains restricted to the period of employment and thus to the time of the economic transaction. Such developments have been described by Scott (1972) as an erosion of patron-client-links within economic transitions.

The importance of payment methods also became clear in the contrast between small businesses and the new large, foreign-owned garment factories, a number of which had opened in Patheingyi prior to my research. I discussed modes of payment with a group of young workers who were employed in a factory. These workers received their salaries for a month's work only on the third day of the following month, a practice they disliked. This made it difficult for some of them to get by during the first month of employment, when they had to work full time without pay. Making workers wait another three days after the end of the month was something the workers suspected was a strategy to force them to stay at work for another month. This might seem like a small detail, but the method of payment also matters beyond just budgeting. Giving out salaries at the end of the month, as is typical in many modern employment situations, is a way for employers to ensure that their workers show up at work. This is different from the payment model found in small businesses in Myanmar, where the salary is often paid in advance, sometimes even several months in advance. Although receiving one's salary in advance has often been interpreted as a form of debt bondage, the negative reactions of the factory workers above indicate that, compared to the payment method in factories, the message being sent by employers who pay their workers in advance can be understood as: 'I trust you.' In the following section, I will show how expectations toward employers go beyond the paying of wages. It is here that the 'moral-economy' aspect of these relationships becomes especially visible.

The ‘Good Employer’: Offering More Than Wages

What takes place between employers and workers corresponds to what Carrier has identified as a specific type of ‘moral economy’, in which the moral force comes directly from a specific economic interaction between people (2018: 24),⁶ through ‘mutuality’ (Gudeman 2008), as mentioned earlier. One aspect of the expectations involved in these relationships was that employers should provide more than wages to their workers. In different settings in Pathein, such as craft workshops, rice mills and grocery shops or other retail shops, workers were provided with lunch, and often also with simple shelter. Business owners sometimes gave financial support to workers when they were expecting a child or wanted to build a house. They would usually speak of these payments as loans, but they did not always expect them to be repaid. I also saw employers offer refuge to workers whose homes had been affected by severe flooding in the monsoon months of 2016. Employers often made an effort to establish some form of social bond, including in order to instil loyalty. For instance, the owner of a watch shop tried to find the time to introduce himself to the families of some of his young female workers, who were adults but unmarried and were living away from home for the first time. He also provided shelter for his workers. On special occasions, such as the Buddhist New Year, he gave small presents to his workers and their families.

Some employers drew attention to the different levels of need among their workers. One rice-mill owner explained that he calculated the salary of his seventy employees according to each one’s family needs. Someone with more children received more money than someone who is single, a logic recalling the practices of welfare states. ‘If they have to worry about their families, they will not be happy at work. If they are not happy, they will not put much effort into their work. So I support them, which is good for both sides. A businessman who only thinks about himself will not be successful.’ The rice-mill owner’s statement clearly shows how good treatment of workers is linked to business success, revealing the profit-oriented aspect of his motivation.

Apart from workers’ physical needs, some employers saw it as their duty to support their workers’ spiritual well-being as well. In many businesses, workers are invited to participate in a blessing ritual, for which monks visit a business at least once a year. Small firms may grant a period of leave to their workers if the latter want to attend a meditation retreat for a few days. Once at a craft business, I saw the owner working alongside his workers, though he usually did the administrative tasks instead. Only on that day did I see him take over their work. Together with his wife, he was sitting on the floor, and they were shaping the bamboo for a hand-made umbrella.

'Our workers asked for leave to go to the monastery for meditation,' he explained. 'So, we have to do their work.' Looking at his hands, he said: 'When our hands are dirty from the mud, we have to wash them. The same applies to the mind.' Here the employer linked meditation to a process of purification, perhaps beneficial not only for the workers' *kamma*,⁷ but also for their productivity. In the following section, I explore social patterns and negotiations in relationships between employers and workers.

Social Bonds, Inequality and Negotiations

Employer–worker relations in small businesses in some respects resemble patron–client relations, which have been important in the social organization of Southeast Asia more generally (Scott 1972). Such relations are first and foremost characterized by inequality between the two parties but nevertheless contain a degree of reciprocity and loyalty is not only based on material exchange but often on some degree of affection as well. In the economic sphere, the employers may seem to be in a more powerful position, but the growing competition for workers is actually reducing their power. Workers try to avoid a 'debt of obligation' (ibid.: 93, 99) so that they can change workplaces easily, and many of these relations are not very durable. Nowadays, the reciprocal duties in work relations often remain limited to the period of work alone (see also Breman 2010). The differentiation of the economy during industrial development has further contributed to making such relations less comprehensive and less stable over time. Nevertheless, around five decades ago patron–client ties still represented 'diffuse personal bonds of affection when compared to the impersonal, contractual ties of the marketplace' (Scott 1972: 107), and something of this remains today, although the erosion has been clearly observable.

Sometimes, maintaining good relationships in the workplace has to be weighed against the economic demand to make a profit. My informant Myo Aung, the owner of a bamboo umbrella workshop, had purchased bamboo from one particular merchant for several years. The quality of the bamboo had declined year after year, as good bamboo was increasingly difficult to get hold of. One day he showed me an entire room full of complete umbrellas that he did not dare sell because of their low quality. Why did he keep producing umbrellas from batches of bad bamboo, instead of waiting until he receives better quality bamboo again? After all, making umbrellas is a complicated process of shaping the wood, painting the fabric and protecting it with several layers that need to dry in the sun. Completing a batch demands many people, skills and steps and can take several weeks. Given their low-quality bamboo, these finished products are economically useless

for Myo Aung. However, 'I cannot let the merchant down,' he explains. 'We have been working together for many years, so I buy the bamboo anyway. And my workers get paid by the piece, so the work is important for them, too. I have to offer them regular work. So I let them produce the umbrellas anyway.' Accumulating products that have no economic value for him functions to maintain his good relations with a business partner, as well as providing his workers with on-going earnings. Myo Aung still sells enough good-quality umbrellas to be able to pay for both materials and workers, though his profit margin is low from producing his umbrellas that he cannot sell. However, the short-term loss is balanced out by maintaining long-term economic circulation, which reveals important social values and institutions (Parry and Bloch 1989). As in many cases, here the moral and social aspects cannot be separated neatly from economic considerations. Myo Aung knows that offering a regular income to his workers is the key to keeping them. And as he relies on their specific skills, he phrased his explanation in moral terms, showing how morality can also serve as reasoning regarding oneself and others.

Workplace relations were clearly marked by hierarchies and inequalities: this was observable in the ways people talked to each other and acted in each other's presence. Usually, workers never openly challenged the fact that their employer belonged to a different and better-off group. Some people invoked the law of *kamma* in this context to explain that each person has his or her place in society as a result of actions in past lives. However, while workers would usually not complain or criticize their superiors openly, one of the more common ways of dealing with conflict was to quit the job, often without giving notice. Thus, while economic differences and social hierarchies may be perceived as stemming from *kamma*, this does not mean that people passively accept behaviour they regard as rude or humiliating from their superiors. In the sphere of work, ensuring autonomy where possible can be a way of remaining relatively unconcerned and avoiding the strains and demands of these hierarchies, as we have seen at the beginning of the chapter with workers who choose self-employment over employment.

Despite the clear hierarchies and socio-economic differences, workers did sometimes make demands, as employers relied heavily on them. In the traditional umbrella workshop, the employer, Myo Aung, needed workers with specific skills, such as painting, and he faced difficulties in hiring people with such skills. At some point, he planned to move his workshop to a different location in Patheingyi. The workers, however, did not want to spend time and money on travelling to and from work, so they objected. In the end, Myo Aung left the workshop where it was. However, feelings of obligation occurred in the other direction as well. Workers knew that their employer relied on their specific skills, as in other craft businesses, so,

even though the pay was low and the work hard, some of them were very reluctant to leave their jobs in such a situation. Affection and feelings of obligation can therefore also become a constraint, as workers might not dare to quit a job even when better opportunities arise. Especially when workers have worked in a business for a long time, feelings of loyalty and obligation may arise, as Carrier suggests, due to the history of transactions between two parties (2018: 30–31).

Nevertheless, calculated and often clear financial considerations remained crucial. This also applies in settings that appear rather close and informal; for example, when only two people work together as employer and worker, as the following example shows. Earlier I mentioned May Wah, the wife of Ko Ko, the water-seller. May Wah produced small pottery items in her house, which she sold as toys for children or as candleholders to be used on pagoda grounds. On some days, May Wah hired a young woman from the neighbourhood to help her with the painting and packing. The relationship between them appeared close and affectionate: her worker often had her small child with her, and the women talked about their worries and exchanged gossip from the neighbourhood. However, May Wah remained strictly in her role as the employer when calculating benefits. Her worker was paid by the piece and also got lunch but only in the dry season, when May Wah produced more and thus had more income. During the rainy months, her worker could still eat with her, but May Wah would deduct 500 Kyat (ca. 0.36 EUR) from her salary. Ultimately, therefore, mutual obligations resulting from employer–worker relations usually do not transcend power relations or the socio-economic gaps between them. Business owners usually made no attempt to support upward mobility for their workers. No matter how long a work relationship has lasted, workers are usually not integrated into the employer's family, despite employers sometimes using the rhetoric of kinship in relation to their employees in order to instil a sense of loyalty in them. Hierarchies and economic differences between employers and workers usually go unquestioned and unaltered. Ongoing changes in the labour market continually change interpersonal links, but employers continue to insist on interpersonal connections in order to evoke feelings of loyalty among their workers, while many workers continue to expect more from an employer than the mere payment of wages. In the following section, I describe how such expectations can clash with new work experiences.

Change and Confrontation

The far-reaching responsibilities of employers like those I described above may seem far from the reality of new private companies that have sprung

up in the transformed metropolitan centres of Yangon and Mandalay. However, they were deeply rooted in the moral perceptions of my informants. This became obvious when these perceptions clashed with new forms of work experience. Such clashes, and the disappointment of expectations regarding how the other party ought to behave, are likely to appear in moments of significant economic change, as shown in the original contributions to the concept of ‘moral economy’ (Thompson 1971; Scott 1976). The rise or intensifying spread of capitalism brings about many such moments, and contemporary Myanmar is no different. I had arranged a group discussion with young female workers from one of the big new garment factories in Patheingyi. Most of the factories had only been operating for around four years at that time. The workers I talked to expressed discontent with their working conditions. They specifically emphasized that no lunch was provided at the factory and that they had to pay for their own shelter and work clothes. The fact that the salary in the factory was higher than in other locally available jobs, which allowed them to pay for shelter and lunch did not remove the moral understanding that the responsibility for these things lay with the employer.

The garment workers were also outraged about the supervisors’ and employers’ reactions when one worker recently hurt her hand on a sewing needle. They recalled that, instead of receiving proper care, she had to organize her own transport to hospital. In addition, she was blamed for the incident by her supervisors, who accused her of having been chatting with her work mates and not paying enough attention to her sewing. The young workers had started working in the factory only recently. They contrasted these new work experiences with other jobs in small businesses, where lunch, shelter and support in times of need had been provided. In reply, I pointed out that the size of the business might influence the relationship between employers and workers. Surely, I said, in a factory employing three thousand workers, an employer cannot look after all the workers in the way a small business owner can. However, the garment workers had a different view of the matter: ‘The employers in our factory don’t know anything,’ they said; ‘They are foreigners who are new to our country.’⁸ In the small businesses you talk about, everyone is from Myanmar.’ The garment workers therefore linked the treatment of employees, including responsibilities that go beyond wage payments, to familiarity with Myanmar customs and norms, rather than to the massive difference in business size. In their view a *good* employer from Myanmar would naturally care for his workers and display concern and sympathy in difficult times, such as sickness.

The experience of working in drastically changing economic conditions and under new management styles, and the moral clashes that come with it, have been described for other transformation contexts, like Bulgaria

(Kofti 2018), Russia (Morris and Hinz 2018), Poland (Dunn 2004), Kazakhstan (Trevisani 2018) and East Germany (Müller 2007), among others. While the socialist and post-socialist experiences of these countries differ strongly from those of Myanmar, one common factor is that actions that were previously seen as employers' duties were transferred on to people's own shoulders, in-kind support that had previously been taken for granted was lost, and expectations were generally disappointed amidst the increasing pressure and competition, requiring work relations to be renegotiated.

According to my informants, a 'good' employer cares for his workers to some extent beyond the salary payment. Taking into account these specific expectations, in the eyes of these women, a tea-shop owner employing eleven-year-old children (very common in Myanmar) to whom he offers shelter, food and doctor's visits and an 'opportunity' to gain experience could be seen as acting in a morally better way than a foreign investor offering regular and relatively high incomes to thousands of workers in a factory.

Employers, too, occasionally complained about the continuing erosion of bonds and loyalty. Especially when discussing their difficulties in hiring workers, shopkeepers would note a growing fixation on money as the sole criterion for accepting or rejecting a job. 'Nowadays, all people care about is the salary. That is the first thing they ask if they consider working here. If another shop offers only slightly more money, they will switch workplaces,' said one restaurant owner. While it is all too clear that unfavourable work is usually done by the least privileged groups in any given society of the global economy, hiring particularly vulnerable people, or people who are considered inferior in the social hierarchy, can also be a deliberate strategy of employers, partly in response to labour shortage or a high labour turnover. This can apply to, for instance, undocumented workers (Kim 2012), foreigners, ethnic minorities or women (De Neve 2005: 94). In Myanmar, children arguably constitute the most vulnerable type of worker. While child labour is not new in Myanmar, the number of children working far away from home in industrial settings has increased in recent years, a development noted in official sources (Pyaе Thet Phyo 2018). This exemplifies two things that have played a role in this chapter. The first is how vulnerability is linked to one's ability to assert autonomy. The less able one is to do so, whether through youth, migration status or other factors, the stronger the control of one's employer becomes – but then so do his or her responsibilities. Secondly, we see here how newly introduced economic patterns interact with existing ones. Since a number of large garment factories have opened in Patheingyi, absorbing a large part of the grown-up labour force (because they mostly adhere to global labour standards and thus refrain from employing minors), children who work for less pay than adults have become an increasingly attractive labour force for local small businesses

as an alternative to having to change the wages they pay to match what the factories offer.

Conclusion

I began this chapter by describing how the value of autonomy plays a role in livelihood choices in Myanmar. If they have a choice, many people who only have access to low-income, low-status, usually manual work opt for small-scale self-employment instead of subordinating themselves to an employer. This has to do with work conditions remaining unattractive and often failing to offer more structural and financial advantages than starting a small one-person venture, which in contrast offers more flexibility and possibly more dignity. I have also shown how this plays a role in small businesses implementing and combining different strategies to attract workers and bind them to the workplace – that is, both economic (advance payments) and social strategies (hiring people from the same family or village; creating an attractive work environment, using a rhetoric of kinship but also exploiting vulnerability). I have also discussed what is expected from employers and how work relations are negotiated in unequal social settings.

However, in Myanmar today, a range of new employment opportunities have emerged. While the private sector has created more and more jobs, those that are considered attractive and prestigious remain few and are to be found largely in the metropolitan areas of Yangon and Mandalay. In smaller towns like Patheingyi, local small businesses have mainly been complemented by garment factories in which the experience of work did not comply with the ‘moral economy’ of those workers I talked to in terms of what a ‘good employer’ should provide. Employers, on the other hand, kept struggling to attract and keep workers. They will continue to do so unless they are able to offer enough payment and a work environment that is perceived as sufficiently dignified to outweigh people’s preferences for autonomy. They will continue unless the pressure from rising prices and rural dispossession becomes so strong that people have no choice but to enter increasingly into unsatisfying and often exploitative industrial employment and therefore have to tolerate superiors who do not stick to the moral codes of the past.

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Notes

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1. Parts of this chapter draw on material in my book, *On Money and Mettā: Economy and Morality in Urban Buddhist Myanmar* (LIT Publishers, 2020).
2. It has been repeatedly pointed out that morality in the workplace can overlap with moral ideas in other spheres, such as the family (e.g. Kofli 2016). This becomes especially relevant when co-workers or employers are also relatives. However, among Burman-owned businesses, most workers are non-kin. This means that while workers have to juggle the expectations of employers with care duties, there are no direct intersectional obligations between the two spheres in the workplace. In fact, it is rather uncommon for ethnic Burmans to form family businesses in which family members systematically combine their efforts and capital over several generations. Family members might help out on an occasional basis, and if a business seems particularly promising a married couple might run it as a team. However, close relatives will rarely be employed as full-time workers. Distant relatives might come from the countryside to work in a relative's business in the city, which indeed represents the exploitation of kinship ties, but these distant relatives will often not be treated much differently from non-family workers by the employer, and they rarely hesitate to leave the workplace if a different opportunity arises. This is in contrast to the cases discussed by Deniz for Turkey and Chaki for India in this volume, where kinship is systematically utilized to build up family businesses.
3. To give some idea of different incomes, at the time of my research the daily wage in the garment factories was 3600 Kyat per day (ca. 2.60 EUR), plus extra pay for working during holidays. In contrast, the monthly starting salary of a teacher was 175,000 Kyat (ca. 120 EUR). Trishaw drivers reported to make around 6000 Kyat per day on good days (ca. 4.3 EUR), while snack sellers sometimes made more than 20,000 Kyat (ca. 14.5 EUR) per day. In small businesses such as restaurants or grocery stores, workers would often get no more than 50,000 Kyat per month (ca. 36 EUR). In my interviews, families with two children who had to survive on day labour estimated their daily expenses at around 7,000 Kyat (ca. 5 EUR), showing that such wages are too low to sustain a family. In these segments of society, indebtedness was common. For these people, small-scale self-employment can often be financially more beneficial than low-paid jobs. However, many forms of small-scale self-employment are marked by considerable fluctuations in incomes. The average

conversion rate during my main period of research (August 2015 to August 2016) was 1,377 Kyat to the EUR.

4. In the census of 2014, 38.8% of the total working population stated they were 'own account workers,' making this the largest group among the respondents. This includes the many small-scale traders, providers of services or owners of stalls and businesses that do not employ workers (Myanmar Department of Population 2017).
5. On the significance of water in Burman Buddhist rituals, see Kumada (2015).
6. Other examples of economic interactions that Carrier mentions are those between co-workers, between landowners and tenants, or between shopkeepers and customers (2018: 24).
7. According to the Buddhist law of cause and effect, people's current situations, including their physical, social, and economic aspects, result from their *kamma*, which is determined by their actions in past lives. One's actions in the present and the merit (*kusala*) one gains from them will influence one's future rebirths. Meditation as a religious practice is a meritorious act.
8. The investors had come from China, Hong Kong, the Philippines and Japan, and often some higher-level foreign staff were also present in the factory. The workers' comments cannot be seen as a general rejection of foreign employers, since those who acted more in accordance with their expectations (e.g. by providing lunch vouchers) were more readily accepted by the workers.

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3



Moral Economy and Mutuality at Work

Labour Practices in Tobacco Shops

LUCA SZÜCS

Introduction

Since its landslide victory in 2010, the populist right-wing government of Hungary's Fidesz-KDNP has promoted the idea of a 'work-based society' reliant on a national bourgeoisie and a strong, property-owning middle class. The political changes and policy decisions that have taken place since then have substantially reshaped the structure of the economy and the state, turning the post-2010 regime into what might be understood as an accumulative state (Scheiring 2020: 74). As a response to the period between 1990 and 2010, when economic policies favoured multinational companies, the accumulative state now propagates economic nationalism and economic interventions that positively discriminate in favour of Hungarian capitalists (ibid.). These policies have been further supported by a drastic cutback in welfare spending, the repression of labour unions and the deregulation and flexibilization of the labour market.

The nationalization of the tobacco retail trade in 2012 is a salient example of the economic nationalism propagated by Fidesz. As a result, government-franchised shops¹ – so-called National Tobacco Shops² – being given the exclusive right to sell tobacco products. Prior to this, almost all shops, including grocery stores, could sell tobacco, which contributed significantly to their earnings. The justification for this change had two prongs: to improve public health by reducing access to tobacco products for those under eighteen years of age, and to support the creation of small and medium-size businesses, including family businesses. After the tobacco law was implemented, small and specialized tobacco shops sprang up all over the coun-

try. Drawing on my ethnographic research in such shops, the overall aim of this chapter is to shed light on the moral economy at work by exploring the ways in which labour processes and labour relationships are underpinned by practices of mutuality and non-commodified exchanges. Before doing so, however, I will briefly discuss the historical and political importance of the notion of work in the Hungarian context.

Public and political debate in Hungary often revolves around the idea of work, since the government has propagated the idea of a ‘work-based society’ and introduced its rather controversial workfare scheme as a positive alternative to ‘declining Western welfare states’ (Szikra 2014: 492). By focusing on how workfare practices work on the local level, Chris Hann (2018) points out that these programmes were in fact widely endorsed throughout the countryside, as they touched upon the ‘moral dimension of economy’ and resonated well with the deep-rooted idea of ‘work as a value’ in rural Hungary. He shows that workfare schemes ‘draw upon both the pre-industrial ethics of the smallholding peasantry, when work was an end in itself, and the ethics of socialist industrialization, when work was enshrined in the ideology of the state’ (Hann 2018: 249). Accordingly, by exploring its historical significance, Hann argues that after 2010 populist politicians successfully restored the idea of ‘work as a value’ in public, moralizing discourses. This chapter examines the persistence of these values further by focusing on the meanings various actors give to the sphere of work in urban settings. Given the importance of ‘work as a value’ in Hungary, I evaluate various theoretical approaches to the understanding of the entanglement of social values and material interest in the areas of work and retail trade.

In his historical analysis of the changing relations of circulation in Western societies, James Carrier (1994) points out that throughout the nineteenth century retail trade became the primary means through which people obtained and comprehended objects. The result of this was the growing impersonalization of retail trade, entailing the dissolution of durable social relations that had earlier characterized transactions between customers and shopkeepers (*ibid.*: 359–61; 1995: 61–82). Although Carrier’s account is about how the circulation of objects became disembedded in retail trade, from which workers were also alienated, his intention was not to draw a sharp division between the non-alienated, personal commercial relationships of pre-capitalist times and the alienated, impersonal economic relations in capitalist trade. On the contrary, drawing on Marcel Mauss’s (1954 [1925]) concept of gift relations and Chris Gregory’s (1982) distinction between gifts and commodities, Carrier conceptualizes these changes in the forms of circulation as a continuum defined by two polar terms. One of these poles denoted inalienable objects – ‘possessions’, as Carrier put

it – that were embedded in the personal relationship between givers and receivers, whereas the other pole stood for commodities and alienable objects that were disembedded from social relations. By detecting fundamental transformations in retail trade that emerged in all its branches, Carrier argues that although there was a significant shift in the forms of circulation, most objects and transactions fall somewhere between the two opposing poles (1994: 361).

Frank Adloff follows a very similar line of thought when he argues for the reconceptualization of action theory on the basis of Mauss's theory of the gift. Accordingly,

in Mauss an approach can be found that hints at actions that are simultaneously self-interested and disinterested, voluntary and obligatory. The mistake of modern sociology as well as philosophy was to suppose that every action is either utilitarian or normatively-oriented. However, even in modern society actions cannot be reduced to one of these approaches but either explicitly follow a logic of gift-giving and reciprocity or are accompanied by such logic. (Adloff 2006: 409)

By broadening the scope of actions based on the principle of gift-giving and exchange, Adloff goes further and argues that reciprocity and gift-giving prevails in all spheres of life, shaping all social interaction, including labour relations:

labour relations cannot be understood just by assuming an economic exchange of labour for remuneration. The economic principle may be dominant in this field, but labour contracts are always incomplete: the performance the employer expects cannot be regulated and fixed in detail . . . thus labour relations rely on patterns of reciprocity to ensure that both sides profit from the contract and economic exchange. (Ibid.: 420)

Prior to Adloff, Jonathan Parry made a very similar point when he pointed out that 'the whole ideology of the gift, and conversely the whole idea of "economic self-interest", are *our* invention . . .' (1986: 458, original emphasis). Tackling related conceptual questions, Stephen Gudeman argues that the two realms of economy, namely mutuality and the market (or community and impersonal trade), are dialectically connected, so that economies are always both embedded and disembedded (2009: 18–19). More recently, by shedding light on exchange and forms of sociality in the practice of work, the notion of 'flexible capitalism' has been re-conceptualized in a similar manner by Jens Kjaerulff and the authors of his edited volume (2015). Drawing on the rich anthropological literature on the gift, the contributors argue that prevailing work regimes hinge on the cultivation of sociality and social exchanges in situations of flexible capitalism (see Kjaerulff 2015: 1–41).

Developing the analysis further, Carrier (2018) suggests reformulating the concept of moral economy in line with the principle of the ‘mutual obligations’ that define almost every relationship, including both commodified and non-commodified transactions. Instead of focusing on individuals and their values, he argues that moral economy emerges in those relationships in which participants become ‘obliged to each other’ in the course of time (ibid.: 25). In this sense, he concludes that ‘whether or not economic activity or an economic realm is moral is a matter of degree rather than kind’ (ibid.: 31).

In line with the thinking of these authors, I utilize the term ‘moral economy’ in its relational form in showing how the notions of both mutuality and obligation underlie all economic practices. Accordingly, the aim of the chapter is twofold. First I seek to understand the often conflictual links between material interest and social values in the realm of work. Here I look at economic transactions as relationships that are structured by the entangled practices of self-interest and mutuality or, following Carrier, mutual obligation. My second aim is to unfold the contradictory nature and experience of service work in retail tobacconists in Hungary. Given the locations of these shops, their assistants mainly work with regular customers, meaning that economic transactions often take place within durable social relations and are accompanied by genuine sociality. By working alone in these shops, moreover, employees acquire autonomy and a degree of control over them. This becomes a source of well-being and self-fulfilment for the employees, and it also helps them to internalize their employer’s material interests and contributes to their increased work performance.

Division of Labour and Changes in Tobacco Shops: Flexibility and Solidarity in the Making

The three tobacco shops I worked with are located in different areas of Szeged.³ The largest or so-called ‘central shop’ is situated in one of the oldest working-class suburbs of the city, which today is mainly populated by pensioners, the unemployed and working-class residents. Like many houses in this neighbourhood, the building containing the tobacco shop is an old, single-floor detached house with a backyard. The second tobacco shop, which is significantly smaller, is situated on the ground floor of a socialist-type housing complex located in a different neighbourhood and consisting largely of working-class residents. Both shops have mostly regular customers from the immediate neighbourhood.

The third shop is situated on a busy road, nearer to the downtown area. This part of the city is more heterogeneous in terms of social classes. Be-

cause of its location, the third shop is a so-called ‘half-transit shop’, meaning that it has a smaller number of regular customers. Ultimately, however, all three shops maintain close relationships with their own neighbourhoods, within which all the employees and employers themselves live.

The appearance of the tobacco shops – and therefore the employees’ work environment – is defined not only by the owner but also by the state and its legislation. Prohibiting the display of tobacco products to those who are underage, Hungary’s tobacco law requires owners to apply uniform dark foil covers on shop windows. This considerably affects the employees’ working conditions, since the dark foil prevents sunlight from coming into the shop through the window. Also, by disconnecting shop assistants from the outside world, the dark windows make them vulnerable, leaving them defenceless in cases of robbery, physical abuse or other criminal acts.

The business of running these particular shops is truly and legally a family concern, since a father and his son András are the joint owners of all three shops, though as the executive director András is regarded as the real boss of all three. One member of the extended family was employed full-time as a shop assistant, while another worked part-time.

The three shops have ten permanent employees, nine women and one man, each working eight-hour shifts. Gender plays a significant role in the selection of employees. Women, according to András, are the most suitable employees for this job due to their ability to be more flexible and more reliable and to keep the shops tidy and clean. Each shop has three employees including a shop manager, who works shifts like the other two employees but enjoys a bit more autonomy. One additional office employee takes care of the accounts for all three shops. András mainly takes care of business relationships with his suppliers and the marketing representatives of the wholesalers, and he also oversees the management of the shops. His father deals with the takings and collects them on a daily basis.

The shops are open six days a week from 6:00 AM to 10:00 PM. The morning shift is from 5:15 AM to 2:00 PM and the afternoon shift from 1:15 PM to 10:00 PM. On Sundays, the opening hours are between 7:00 AM and 5:00 PM, there being only one shift. Since monthly wages are calculated according to the number of hours worked, it is always difficult for the shop managers to arrange the monthly shifts so that they satisfy all the employees and so that everyone has enough work hours for a reasonable monthly wage, as well as sufficient days off (two days a week according to the labour law). Drawing up a monthly assignment, therefore, usually demands creativity and good negotiating skills on the part of the shop managers. András did not usually want to be involved in these matters, checking work schedules only before the start of the month.

If an employee could not work their shift due to personal, medical or family issues, usually it did not cause any serious difficulties: employees were able to change shifts with each other easily and not just within but between the shops as well. By keeping track of these little favours and helping each other, employees developed a well-functioning horizontal system based on reciprocity and mutuality. Usually, the boss did not have any objections to the practice of changing shifts, as long as the employees kept within the limits of the law in doing so⁴ and kept him informed. Nonetheless, this well-functioning system was seriously challenged whenever the number of employees dropped from three to two, as when Erika had to give up her job.

Erika was in her late twenties and the manager of the central tobacco shop. She was born and had grown up in the very same neighbourhood. After completing vocational school in commerce and catering, she worked as a bar tender in various pubs in Szeged and later worked evenings at a petrol station for several years. Given her educational background, experience and skills, as well as her extensive knowledge of the neighbourhood, András had immediately offered her a job after the interview. Erika was never disappointed in her work and was reliable and hardworking, becoming shop manager in a short period of time. However, Erika's career, her life and the organization of the shop she managed changed drastically when she was diagnosed with a serious medical condition. Even though she saw several doctors in both state and private hospitals and spent a significant amount of money on these consultations, she did not receive the appropriate medical treatment that would have stopped her attacks and let her do her work properly. Since she did not want to leave her job, and since András did not want to lose one of his best employees, he decided to wait and kept her position open until she got better. This decision required the workforce in all the shops to reorganize, which demanded a great deal of flexibility.

According to the doctors, Erika had to wait and see which medical treatment would work best for her. She was also advised to find another job where she would have the support of a team – something that she did not want to do. The biggest challenge, therefore, for both herself and András, was to find a solution to this problem. First, they agreed that Erika would only work the morning shifts and then persuaded her colleague Edit, the office clerk, to change her shift and start work earlier at 7:00 AM so Erika would not be alone. However, this did not work out for two reasons: even if Edit came into work at 7:00 AM, Erika was still left working alone for an hour and 45 minutes, which could be dangerous for her due to the potential for an attack. From time to time, Edit volunteered to start work even earlier so as to be with Erika, although she could not do this regularly. Secondly, the fact that Erika was doing only morning shifts was not sustainable in the

long run, given the fact that the other employees in the same shop found it difficult to maintain their personal and family lives if they mostly had to do the afternoon shifts. Erika's health problems unfortunately continued, and the side effects of her medication did not allow her to work properly on a regular basis. As a result, she was forced to stop working, though András still did not want to hire anyone else and preferred to wait until she had found a suitable medical treatment that worked for her.

Although András's decision was dictated by solidarity with and sympathy for Erika, his choice not to hire anyone else for her position while she stayed away from work for an indefinite period of time required other employees to work harder, be flexible and make sacrifices for the business. Obviously, hiring a new employee was a financial risk for András that he did not want to take. To do so, he would have to pay for the certificates the new employee would require to be able to sell lottery tickets, and the new person would also be expected to leave if Erika were to return. In this regard, András's decision was driven not only by a sense of solidarity and moral obligation towards Erika but also self-interest. As Erika was one his best employees, someone who had been working for his company for years, he also felt obliged to reciprocate her valued labour by keeping her position open for her.

However, for the other two shop assistants, it was a very difficult period because of the overtime they often had to do. When this became too difficult or stressful for them, András replaced them for some shifts with other employees from the two other shops or sometimes did the shifts himself. András himself was very flexible when it came to business and work, and therefore he required the same, full flexibility from all his employees: they had to be ready to substitute for each other whenever it was needed, even when they had days off.

During the same period, an employee from one of the other shops was also going through a hard time, causing further problems for both her colleagues and András. Angéla, a single mother, was in her late thirties with a teenage son and a one-year-old daughter. She was raising her children entirely alone, without her family's financial support. Hence, it was necessary for her to keep her job, despite having to struggle to synchronize her shifts with her child-raising responsibilities. She asked András to allow her to work only part-time and do only morning shifts, which was more suited to her children's needs. András was very sympathetic to her problems and required the same from her colleagues too, even if her situation meant an extra burden for them. As András told me, being a father of two young children himself, he would never have been able to kick out a single mother, and the others had to understand that and accept the situation as it was. However, the sacrifices of the other employees ultimately resulted

in tensions developing among them. They told me that, having families or being mothers as well, they felt that their boss was showing favouritism to Angéla.

Accounts like this illustrate the tension between material interests and moral obligations that is an inherent part of practices of mutuality. Going beyond self-interest and profit-maximization, András felt he had obligations to the two employees who were experiencing personal difficulties and therefore chose to keep their positions open for them, but in morally obliging them he challenged relations of mutuality between himself and his other employees because he did want to lighten their burden by hiring new, temporary employees or take into consideration their familial obligations as well.

By broadening the analytical scope of practices of mutuality between employers and employees, in the next section I look at how remuneration in the form of wages and other financial incentives worked and how these were accompanied by vertical gift exchanges.

Remuneration, Incentives and Gift Exchanges

There were three levels of wages in András's tobacco shops. At the first level were the shop assistants, who earned a monthly minimum wage of 85,000 HUF (approximately 275 EUR),⁵ with an extra 30% for working after 6:00 PM, time and a half on Sundays and certain financial incentives, meaning an employee could earn up to 100,000 HUF (324 EUR). Shop managers received a slightly higher wage, earning an additional 10,000 HUF (approximately 32 EUR) a month.

Financial incentives included those attached to selling scratch cards. If employees could sell 576 a week, they received 2000 HUF (approximately 7 EUR) per week or 8000 HUF (approximately 26 EUR) per month. Although it was possible to achieve this figure, if they had not sold the required number of scratch cards before the end of the week, they made sure of receiving the extra money by purchasing cards themselves to make up the number.

At the second level of earnings was the office clerk, who took care of the accounts. Her net salary was considerably higher than those of the shop assistants, at 140,000 HUF (454 EUR) net. Edit, the clerk, had been with the company since the very beginning, working for András's father, and was therefore regarded as one of their most reliable and trustworthy workers. Although she was not entitled to the same material incentives as the shop assistants, she admitted that she always received extra money twice a year on top of her salary when she took a longer holiday to visit her partner, who lived and worked abroad as a truck driver.

At the third level is the owner, who took a dividend four times per year. He also took a monthly salary, as he worked on Sundays before the shopping ban was revoked.⁶ There were no differences in terms of salary between family and non-family employees. Only the owner's younger brother received a different wage, since he was a temporary employee, jumping in only when his university studies allowed him to work.

In order to thank employees for their labour, András held a party for them every year in the backyard of the central shop. This half-day event was the main ritual and cement of the work community, feeding everyone with stories and anecdotes, which were frequently repeated. It was an occasion that everyone looked forward to, not just because it was an enjoyable social event full of games, but also because it was an occasion for distributing bonuses and gifts to the employees. The party was always meticulously planned by András a few months in advance. In the year of my fieldwork, the party took place on a hot summer Sunday afternoon. The employees had received detailed instructions from András beforehand to meet at a different location for team-building games.

Before the games started, András had handed out bonuses to his employees, with everyone receiving different amounts along with an appraisal. Kati, a recipient of one of the highest bonuses, told me that the amount they received had increased each year. Besides this occasion, bonuses were also given to employees just before Christmas, although the amounts were minimal compared to the summer bonuses, and they often came in the form of grocery store vouchers, which the employees tended to dislike.

The team-building games continued back in the courtyard of the shop, and there was a quiz as well; András ran five games in total during the afternoon, which all aimed to learn and experience how team members can cooperate, work and understand each other. The games were occasionally interrupted by drinking and smoking breaks, where everyone chatted with each other in an easy manner. The hierarchical relationship between employer and employees disappeared for a while, thus allowing creative play in a relaxed atmosphere. After the games, prizes were awarded. First prize took the form of vouchers for two persons for two nights at a three-star thermal-wellness hotel near Pécs, Hungary's fifth largest city, situated in the south-west of the country. Those who won second prize were given vouchers worth 10,000 HUF (32 EUR) that could be used in a widespread perfumery chain. Those in third place still received tickets for two persons for the local beach and aqua park.

The games and the prize-giving were followed by dinner. Food was ordered from a nearby restaurant and consisted of breaded meat and filled meat with fries and rice. While eating, András raised his favourite toast 'to the holy trinity', as he put it – 'family, friends, homeland'. As the atmo-

sphere became more and more relaxed, employees felt more comfortable approaching András with their work-related problems, revealing their frustrations and tensions. At the heart of their complaints was the excessive overtime they had had to do at that time. This was followed by private conversations in which András only made realistic promises and expressed his gratitude to each employee and his satisfaction with their performance at work. Some of these conversations became very emotional; for instance, Lilla, a single woman in her thirties, ended her conversation with András with tears in her eyes. She told me that András had noticed the positive developments in her work performance and had praised her hard-working character in a way that no one had ever done before. András told me that his employees should thank only themselves for the party because this year the business had done really well, and he owed it to them. This was why he spent 80,000 HUF (257 EUR) on the party alone, had handed out prizes and also announced that everyone would be getting a pay raise of 7600 HUF, or 24 EUR a month. He was also going to be making a slight change to the rules that would allow the employees to arrive at work not 45 minutes before their shifts start but only 30 minutes. However, most importantly, a bit later, at the end of the summer of 2016, he hired two new employees, which definitely eased the tensions among his existing employees.

As shown above, by taking the form and function of a ceremonial exchange, the company's annual party played a crucial role in the complex web of mutual obligations and reciprocal exchanges that dictated and shaped labour relations in the three shops. Giving out gifts and bonuses in this context was not only a symbolic way of acknowledging their labour and redistributing some of the profits; it also helped reproduce labour relations, thus obliging his employees to reciprocate by providing their labour on a continuous basis. As a result, the party can be seen as a ceremony that annually re-establishes the labour contract between the two sides. However, such vertical gift-exchange between employer and employee always implies hierarchy and inequality (Yan 2012: 276), and the party, in this case, was also a means for András to re-enact his status and power in his relations with his employees. In the following section, I show how András exercised control over the shops and ensured that his employees fulfilled their obligations to his business.

Disciplining and Controlling Employees in the Shops

András required highly disciplined work from all his employees. In order to achieve this, he regularly visited the shops in person to check on his employees and also installed surveillance cameras. He was keen on following

closely the performance of his employees and also the daily cash flow in his shops, which he required all his shop assistants to inform him about at the end of the day.

Lateness or delays in opening the shops were taken seriously, being sanctioned by salary reductions, as Andrea explained in her narrative:

Last year, I was supposed to do a morning shift and open the shop, but unfortunately I overslept. This occurred to me only once, so I opened the shop 45 minutes later, at 6:45. I immediately called András to admit it. It was better to tell him because he could see it through the camera anyway, so I decided to be honest about it. András's voice was very cold on the phone, and he only said that I would have to face the consequences when he was back from holiday. However, when András came back from his holiday, mine was just starting, and I travelled to Greece for a week, so we could not meet or talk. I had no clue what the consequences could be and why he did not want to talk about it over the phone. I was nervous about this phone call and about its possible consequences; for an entire week, I could not relax at all. I was chatting on Facebook with Erika all the time, asking her whether she had heard anything about it. When I returned, he invited me into his office and told me that he could not just let me go with a warning but had to deduct 10,000 HUF (33 EUR) from my salary. By that time I was so anxious and afraid of being sacked that I actually felt relieved when I heard this. But then later I realized that 10,000 HUF is quite a lot of money for 45 minutes when I saw that he could not have made such turnover between 6 and 6:45.

These individual financial punishments were very efficient, and delays in opening occurred very seldom. The reason behind it was simple: such a sum was a big chunk of the employee's salary.

Besides the disciplinary measures for lateness and monitoring employees through surveillance systems, the work of serving customers allowed András to use 'secret shoppers' to monitor the extent to which his employees were abiding by the law, a technique also used by the tax authorities. The Hungarian law on curbing 'underage smoking' severely punished those tobacco shops and their owners who sold tobacco products, alcohol or lottery tickets to underage customers. The law not only prohibited shops from selling these products to those underage; it also stipulated that under-eighteens had to stay out of such shops, which the authorities monitored regularly by using undercover customers. In cases of infringement, shops were not allowed to sell tobacco products for thirty days and had to pay a fine, followed by harsher penalties for repeat offences. In order to avoid all these penalties, employees were obliged to ask every customer their age and check their identity cards if necessary.

András told me he had never had such a penalty, and he implied consequences that were not entirely clear cut but nevertheless ominous for an employee who did not follow the rules. Employees were certainly scared of

not following the rules, as one of the shop managers, Anita, expressed in her account of an official check:

I think I became older by ten years during that check, particularly when the controllers revealed themselves. They sent a ‘secret shopper’ – a young man – into the shop. He looked young, but not that young. He could have been more than 18. Anyway, I asked him whether he was underage and he said yes, then left the shop and two controllers came in to make an official report. At that moment, I realized that this one second could have changed my entire life. If I had not asked this customer his age, I would have been indebted to András for many, many years.

In effect, by not being entirely clear about the consequences, András had created an effective tool with which to discipline his employees. He himself also used secret customers to exercise control over his employees, as the following account will show.

Linda was not satisfied with her colleague Anita (introduced above) as a shop manager. She felt strongly that Anita was not the right person for this position and was not capable of fulfilling the duties of a shop manager. In fact, Anita was something of an exception in András’s workforce. For a start, she was the only one who had a university degree, and in Linda’s eyes taking this job represented a fall in status for her; unlike the others, she could not imagine Anita ‘retiring from this job’. Linda said that ‘she carried out her duties to the letter, but she was never keen on doing any extra tasks for the company’. Linda, self-confident about her own abilities and competence, decided to talk to András about her reservations regarding Anita and to recommend herself instead for the position of shop manager. András listened to her carefully, but a few days after their meeting informed Linda that she had sold a cigarette to an underage customer who he himself had sent into the shop and that she should therefore not expect any changes regarding the shop manager position. Also, for questioning her boss’s competence in selecting employees for certain positions, as well as for failing in the internal check, Linda received a warning, and 40% of her salary was deducted.

Despite all these disciplinary techniques, all the employees agreed that András was a good boss. All the employees had been declared officially, and they pointed out that he always paid salaries and made other payments accurately and on time. They felt that this sort of ‘paying morality’ was very rare compared to their previous job experiences, where delays in payments (or even no payments at all) were frequent. András was fully aware of these rogue practices, and therefore, when he was doing job interviews, he always emphasized to applicants that though he could not offer a good salary but assured applicants that they would all be declared and that their salaries would be paid on time. Also based on their previous work experience, em-

ployees highlighted his 'gentlemanly character', meaning that they were not exposed to any harassment or abuse. They described Andrés as a strict but friendly boss who always managed his employees with civility and dignity.

In the last section, I unfold the characteristics of this type of service work and employees' work experiences. I also examine how being given autonomy and a degree of control over the shops they worked in was at once a source of freedom and self-fulfilment for employees but also made them work harder.

Controlling the Shops via Employees

Employees experienced work in the tobacco shops as a very solitary but also a very social job at the same time. It was solitary because they had to work alone, yet social because they had to deal with customers. Sociality is an inherent feature of service work, as Robin Leidner pointed out: 'service workers and their customers or clients must negotiate interactions in which elements of manipulation, ritual and genuine social exchange are subtly mixed' (1993: 2). As I show below, the shops' size and location added a further layer to this inherent characteristic and helped employees to create durable social relationships with their customers.

When I started working in one of the tobacco shops as part of my field-work, one of the first things I realized was that selling and giving out the tobacco products the customers asked for was much harder than I expected. Other shop assistants had come to learn off by heart what regular customers consumed and had a huge mental database of not just their customers' preferred brands but their spouses or family members too. They would remember when a customer switched brands, how long a tobacco product would last for a customer, and what brand to recommend if the shop had run out of a customer's usual tobacco product. Ultimately, shop assistants were very proud of their broad knowledge of their customers' consumption habits and patterns. Extensive information-sharing and various informal economic arrangements and exchanges also took place in the tobacco shops, shaping employees' work experiences and nurturing their social relationships with their customers.

Nevertheless, before falling into the trap of giving an over-romantic picture of the sociality of these tobacco shops, their location and its effect on the working environment of the employees must inform any account of working there. As is often the case in economically deprived areas, populated mainly by unemployed, low-wage workers or impoverished pensioners, the tobacco shops often dealt with customers with an addiction, sometimes a heavy addiction. Customers were not allowed to drink inside

the shops, but they could bet on sports and played various lottery games that were often rather demanding for the employees, particularly when customers blamed them for losing a game and when they were exposed to their anger or surly speech.

On one occasion, some customers had already arrived by the shop's opening time of 6:00 AM to play the cheapest scratch cards (that is, 200 HUF or 0.65 EUR). On another occasion, a customer came in for the same reason around fifteen minutes before the shop closed, buying one scratch card after another. I watched him compulsively scratch fifteen or sixteen cards in a row before losing count. The only thing that stopped him buying another one was the closing time. When I asked Andrea how she felt about watching people scratch so desperately, she said she felt nothing; she was absolutely indifferent to it – it was none of her business how people spent their money. In this regard, dealing with addicted gamblers required emotional distancing, a sort of emotional labour (Hochschild 2003 [1983]) on the part of the shop employees. Emotional distancing was also made easier by the fact that scratch-card sales provided the employees with a direct material reward. As already noted, they received 2000 HUF (7 EUR) extra salary if they sold 576 scratch-card tickets every week, therefore they had a common interest with their boss in selling as many as possible.

Beyond the attraction of such material incentives, employees were also motivated to increase their work performance for 'intrinsic rewards' that were strongly related to acquiring autonomy and therefore freedom in the shop. Here I follow Pierre Bourdieu, who drew a distinction between intrinsic and external profit and pointed out that by allowing workers a degree of control over their work and thus permitting them to pursue a symbolic 'intrinsic' profit, managers deflected them from wage demands ('external profit'). As he writes: 'It is on this principle that modern management theory, while taking care to keep control of the instruments of profit, leaves workers the freedom to organize their own work, this helping to increase their well-being but also displace their interest from the external profit of labour (the wage) to the intrinsic profit' (Bourdieu 2000 [1997]: 204–5). Michael Burawoy (1979) made a very similar point when he wrote about work as a game in his early ethnographic research on an industrial plant in south Chicago. He argued that the piece-rate system at the plant created the illusion of labour as a game, with workers competing with each other or 'making out' to surpass their expected output, resulting in job satisfaction and symbolic rewards that made him and his colleagues work so hard.

In the same vein, I postulate that acquiring authority and a degree of control over the shops not only contributed to the employees' well-being and helped them feel proud of their work; it also made them work harder by having them internalize their boss's economic interests. For instance, when

Kati had taken a day off one Sunday, she had said she could not stop fretting about a purchase order that needed to be placed with the central supplier on the Monday morning. The colleague whose job this was had taken the Sunday off sick, so András was substituting for her, but Kati did not trust him to put the order together correctly due to his lack of knowledge of the customers' consumption patterns and the computer system. Thus, instead of enjoying her day off, she cut a planned family event short and went to the shop in the evening to make sure that the purchase order for the following week had been properly prepared. Kati felt that the business depended on her performance to make a profit and remain sustainable. She felt that her job was at stake, even though that was not the case. One could say that Kati had obvious material reasons for working hard – she wanted to keep her job in the long run to avoid economic uncertainty. However, what motivated her on a daily basis were the symbolic rewards or job satisfaction; in other words, the 'intrinsic' profit, in Bourdieu's sense, including enjoying a sense of freedom and sociality by having a degree of control over the shops.

Conclusion

This chapter has aimed to show how labour relations have been organized, experienced and reproduced in specialized tobacco shops since their emergence in 2013 and how the mutuality of the relationships that emerges in this context informs the moral dimension of work. The nationalization of the tobacco retail trade and the spread of specialized tobacco shops as a result is a hallmark of Fidesz's economic nationalism and its class project to create a national bourgeoisie. By looking at this specific sector and the functioning of these retail shops, I showed the range of challenges, social dilemmas and social conflicts that are inherent in Hungary's neoliberal accumulative state. Going beyond static notions such as 'embeddedness' and 'alienation,' I aimed to grasp the nature of work in the tobacco shops as a set of labour relations and economic transactions between customers, the employer and employees governed by the practices of mutual obligation. Following Carrier (2018), these practices of mutual obligation in the realm of work might be understood as moral obligations or moral economy. The ethnography presented here has shown that work schedules were always a result of negotiations among and between the employer and employees, characterized by a complex web of mutual obligations and reciprocal exchanges.

By exploring the conflictual and contradictory nature of work experiences in the tobacco shops, I argue that the work of serving in these shops was accompanied by sociality and non-commodified exchanges that

largely shaped employees' work experiences and nurtured their social relationships with their customers. Having these work experiences and being able to work alone enabled employees to acquire autonomy and a degree of control over the shops. While this became a source of self-fulfilment, well-being and joy for them, or 'intrinsic profit' in the sense of Bourdieu, these aspects of work also helped them to internalize their boss's material interests and to intensify their own work performance.

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Notes

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1. One can only open a National Tobacco Shop with a concession granted by the state through a public tender. There was a political scandal when it became public that decisive market players had mobilized their political influence and connections to involve themselves in the law-making process for the tobacco market from its very beginning and that a significant number of licenses had been awarded to known government supporters, their families or associated companies (Laki 2014: 23).
2. The official label 'tobacco shop' does not cover the wide range of products and services provided by these shops, such as newspapers, soft and alcoholic drinks and lottery tickets.
3. My doctoral research took place in the city of Szeged, Hungary's third largest city, with a population of about 160,000. Its location in the south of the country close to the borders with Serbia and Romania on the banks of the river Tisza have helped turn Szeged into an international cultural hub. The majority of its residents belong to the Roman Catholic Church, but there is a significant Protestant minority community, both Calvinist and Lutheran. Small businesses are particularly relevant

for Szeged, where a high number of micro- and small-sized enterprises contribute substantially to the viability of the local economy. The empirical data I gathered consisted of participant observation in various workplaces, qualitative interviews and a questionnaire administered to about forty business owners in various sectors.

4. When someone had a night shift, he or she was not allowed to do a morning shift the next day as the labour law stipulated that everyone had to have eight hours rest between shifts.
5. Before I left the field, the owner increased the monthly net salaries by 7600 HUF (approx. 25 EUR).
6. Between 15 March 2015 and 23 April 2016 there was a ban on Sunday opening in retail sector. The Law (Act CII of 2014) stipulated that shopping malls and stores bigger than 200 square metres had to be closed on Sundays. In this way, tobacco shops were exempted from this regulation although they were only open until 12 AM and it was only allowed for the owner(s) and the family members of the owner to open the shop.

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4



The Embedded Trajectory of Small-Scale Enterprises in Provincial India

SUDESHNA CHAKI

Introduction

Given the current government's attempts to rebrand the nation as a manufacturing hub for the global economy (Kaur 2015), small-scale industries have received renewed attention from both scholarship and political discourses in India. However, with few exceptions (e.g. Streefkerk 1985; Chari 2004; Haynes 2012), small-scale capital and its trajectory in the provinces have received scant anthropological attention. This chapter explores the trajectories of small-scale manufacturing enterprises in Palghar, a provincial town near Greater Mumbai.

Discussions of small-scale industrial capital in the provinces very often revolve around its relationship with positive state intervention, while the emergence of a stratum of small- and medium-size enterprises is primarily attributed to the state subsidies that catered to them (see Streefkerk 1979, 1985; Gorter 1997). Besides widening the economic base by increasing the numbers of new businesses and, in the process, generating employment for the young (Tyabji 1989), these policies were also expected to attract people from diverse community, caste and class backgrounds into industrial entrepreneurship, a sector that only a few communities had dominated so far. Though these policies indeed played a crucial role in the proliferation of small-scale enterprises in the provinces, my own empirical investigations, like other scholarly work on the region (Streefkerk 1985, 1997; Gorter 1997), reveal that business owners who share certain characteristics¹ continue to dominate the small-scale industry numerically: either they belong to merchant communities, hail from trading castes or have a family

background in business. In fact, two or more of these traits frequently overlap.² For instance, business owners from traditional business communities frequently have a family background in business, while some belong to one of the trading castes as well. Moreover, a significant proportion of these business owners have a history of transitioning from ‘trade to industry’. This persistent dominance of certain communities leads us to question the impact that policies alone could have had in bringing in new players into the small-scale industry landscape. This question calls for the underlying moral economy and the crucial role that family, kinship and community played in enabling certain businesses to benefit from state policies to be unpacked.

In this chapter, I trace the trajectory of small-scale industrial capital in Palghar. By contrasting the experiences of two groups of business owners, I probe into what enabled businesses to amass their initial capital. In the first part of the chapter, I shed light on the dominant group. Going beyond explanations that essentialize business acumen or the ‘entrepreneurial spirit’ of traditional business communities, including the trading castes, to explain this dominance, I draw attention to the historical, social, political and spatial aspects that, in combination, played a crucial role. An impressive proportion of this group’s capital flowed from ‘trade to industry’, and though it is widely recognized in the literature, this ‘trade to industry’ path is often ahistorically attributed to these communities’ inclination to diversify their capital. Using the example of the Wala family, I demystify this path and bring into light the crucial roles that kinship, community and institutions played together in shaping such transitions, as well as highlight the underlying motivations that often take the form of a juxtaposition of different values, rather than of simply an urge to diversify capital.

In contrast to this dominant group, the second part of the chapter considers first-generation businessmen from other professional and community backgrounds who have started small-scale industries in Palghar. By means of two brief case studies of such industrialists, I elucidate the ways in which initial capital has been mobilized in the absence of inherited wealth and community orientation.

This group frequently differentiates itself from the first group in terms of the family support they did not benefit from in respect of inherited wealth, business knowhow or connections. In the last part, however, I explore how family played a crucial role in establishing their businesses as well, albeit in different ways.

Overall, the chapter explores how different modes of belonging – to community, family and kinship – shape different strategies of capital accumulation, and how the values, obligations and expectations that arise out of these belongings sometimes aid, sometimes restrict, the running of these enter-

prises. Also, I argue that while state intervention and subsidies have figured prominently in scholarship and discourses surrounding small-scale industrial capital in provincial India, in practice they benefited different groups unequally. Their role should therefore be understood in relation to an array of interwoven arrangements and forms of support, some explicit, some veiled.

Uneven Access to Business Opportunities: Capital, Family and Moral Economy

As a larger phenomenon in the history of capitalism, inequality has been addressed by Thomas Piketty (2014), who, in his analysis of long-term data from countries like the US and France, shows that capital has almost always enjoyed a higher economic return than labour. While pointing out this uneven distribution between income from labour and income from wealth, he singles out the importance of ‘patrimonial capital’ – that is, the primacy of inheritance in accumulations of wealth. He has been criticized, however, for failing to distinguish between wealth and capital, especially the latter’s role as an ‘agent of production’ (Yanagisako 2015), leading scholars to question whether his study is more about changes in wealth inequality than inequality of capital (Bear 2014). Explicitly, Sylvia Yanagisako emphasizes, ‘distinguishing capital from wealth is crucial because it alerts us that the former is a process that requires certain kinds of social relations; hence an understanding of capital in any century requires situating quantitative findings in the history of these social relations’ (Yanagisako 2015: 493). However, she agrees with Piketty’s argument about the importance of inherited wealth, which he saw as the most plausible explanation for a large percentage of capital being concentrated in the hands of a few. Echoing the significance of inheritance and kinship throughout the history of capitalism, Yanagisako too postulates that ‘. . . kinship is still at the core of capital and class’ (2015: 492).

While Yanagisako brings out the importance of inheritance in creating an unequal playing field, Stephen Gudeman’s work draws attention to the complexities of the market itself, which further contributes to making the playing field unequal (Gudeman 2001, 2009). Gudeman (2015) points out that Piketty’s analysis is an oversimplification, as it assumes unequal returns on capital and labour are independent of market imperfections. Gudeman proposes to look at different spheres of the economy and the ways in which they influence one another in order to understand the processes by which capital maintains this inequality over time. Going beyond Karl Polanyi’s concept of ‘embeddedness’ as characteristic of pre-industrial economies, he proposes to see all economies as ‘both embedded and dis-

embedded' (Gudeman 2009), and as consisting of two realms: 'community', and 'market or impersonal trade' (Gudeman 2001). These two realms may exist in different variations, and their respective proportions may change both temporally and locally, but all economies contain these two realms, which are interwoven in complex ways (Gudeman 2005). In later works, Gudeman expands his notion of community (individuals sharing an affiliation) as an economic sphere. Communities tend to share their resources so that affiliates can rise up individually and the community can do so in turn, collectively. Within the community sphere, 'the power of capital as well as closely held knowledge and social relationships' gives their members a competitive advantage over others (Gudeman 2016: 5).

Gudeman's work on the entangling of community and market forms the basis of James Carrier's (2018) discussion of moral economy. In his critical revisit of the concept of moral economy, Carrier favours a substantivist definition of economy that includes the 'satisfaction of all wants' (ibid.: 22). In defining moral economy, he places obligations 'that arise from interactions between people' at the centre. Going beyond E.P. Thompson's concerns, he references a myriad of day-to-day obligations, such as those between siblings, neighbours or two parties in a marriage, to name but a few: 'To call an act moral in this sense is to point not only to the obligation that it expresses, but also to its basis, the relationship between the actor and someone else' (Carrier 2018: 23–24). While tracing the path of small-scale capital in Palghar, I follow Carrier's definition of moral economy to explore the role that such relationships and the obligations they entail played in differentiating the trajectories of the two groups of business owners. My aim is to assess critically the (moral) obligations that cascade from individual to family to community and back again. Furthermore, in tracing the historical trajectory of capital accumulation among business communities, my work resonates with Chris Hann's (2018) study of the 'moral dimensions' of the economy in Hungary. While exploring capital accumulation and its moral dimensions, I show how family obligations, ideas of work and social reproduction become entangled within small businesses.

My data³ on how businessmen from merchant communities in the manufacturing sector pooled their initial and additional capital (see Figure 4.1 below) shows that the first group, consisting of businessmen from families with a background in business (most of whom also belong to merchant communities), mainly used family capital as initial capital, whereas the second group, consisting of first-generation businessmen, rarely benefited from family capital, instead relying on themselves for their initial capital (see Figure 4.2 below). I explore this difference with reference to ethnographic examples of family firms' biographies, which show the role played by obligations, motivations and historically rooted moral and kinship values.

In the following section, I start with the case study of a multi-generation business in a traditional merchant community and chart the different forms that capital took in being invested in small-scale industry in Palghar.

From Shyam Trading to Srikant Enterprise: Three Generations of the Wala Family Firm(s)

Srikant enterprise's path to Palghar follows the archetypal trajectory that is shared by many businesses. The enterprise has its roots in colonial Bombay, to which the current owner Nitin's grandfather, Ramesh, came as a migrant. Pushed by arid lands and unfavourable geography, and pulled by the prior presence of fellow caste and community members who had already consolidated their economic base in Bombay, Ramesh's trajectory was part of a larger trend of mass migration to colonial hubs of commerce like Calcutta and Bombay. Born in a remote village in Rajasthan, Ramesh and his younger brother Brijesh set out for Bombay at the suggestion of an elderly neighbour, as declining agriculture and the scarcity of work was further aggravating their living conditions. Relying on a *chitthi* (letter) from this neighbour to an acquaintance in Bombay who could help them with initial accommodation, the brothers left the village. Like thousands of migrants at that time, they eventually found work in a large textile mill. 'He started as a labourer only!' Nitin emphasized while recalling Ramesh's move. The two brothers worked in a packaging unit. Thanks to the few years of schooling Brijesh had received in the village, he was then able to take up a position in accounting and record-keeping, which paid marginally better, even though salaries in general were still low. Given the low salary and the lack of any scope for vertical occupational mobility, a few years down the line the two brothers decided to start a small cloth-trading business, a widespread activity among Marwaris in post-colonial Bombay.

This small shop marked their transition from workers to business owners. Tracing the family's history from Shyam Trading (Ramesh and Brijesh's small shop) to Srikant Enterprise (a mould-manufacturing factory that grandson Nitin still runs today) reveals how diverse motivations, ties of kinship and community, and institutions have all shaped this journey from trade to industry.

Beyond the Individual: Family, Kinship and Community

At that time, Bombay's burgeoning business landscape was dominated by a few communities like the Parsis, Gujaratis and Marwaris,⁴ and this persists to a great extent even today. A wave of literature (Singer 1956; Goheen et

al. 1958; McClelland 1961) attributes the dominance of certain castes and communities to an 'entrepreneurial spirit' or a form of asceticism along the lines of the Protestant work ethic (Weber 1978), while popular perceptions attribute it to certain communities' 'business-mindedness'. However, historical enquiry traces their dominance back to colonial India,⁵ where they enjoyed a quite privileged position through trade relations with Europeans (Rutten 2005; Markovits 2008). This engagement with the colonial economy established a base from which these communities could later find ways to support the integration of newly arrived community members into the business landscape of these big cities over the coming decades.

Belonging to the Marwari community (and also the Baniya caste), Ramesh was able to benefit from an intricate community safety net from the onset of his migration to the big city. His Marwari background, confirmed by the letter of reference from the brothers' neighbour, gave him access to this closed circle. After producing the letter, the two brothers were accommodated in a *basa*, a hostel-like form of accommodation philanthropically financed by a successful Marwari businessman. These *basas* were also doorways to effectively functioning 'resource groups', which gave Marwaris a competitive advantage at the onset of their careers (Timberg 1973, 1978). Thomas Timberg's extensive work shows how such arrangements within the community enabled Marwaris from rural areas to enter the world of trading in the cities (Timberg 1970, 1971, 1978). He wrote, 'a young Marwari starting out in business would find hostels or "*basa*" where he could stay, often initially free, a certification of his creditworthiness from a guaranteed broker if he wished to enter the field of cloth brokerage, and centres where he could pick up and transmit commercial gossip' (Timberg 1971: 265–66). Timberg also mentioned how newly arrived Marwaris first worked in larger Marwari firms as clerks and mediators before many started their own ventures. What benefited individuals with no prior business experience like Ramesh and Brijesh, who came to Bombay around the mid-twentieth century, was getting incorporated into these resource groups.⁶ The *basa* was where they acquired useful contacts and also became acquainted with the dynamics and processes of cloth-trading from their mentors and others who had taken the plunge already.

Relying on their own experience of working in a mill and their insider's knowledge about pitfalls and issues in the cloth-trading business they acquired from fellow Marwaris, the brothers started their own small trading shop. Starting the venture did not need significant investment, only a down payment for the shop premises and the cost of the first batch of materials. In order to support the nascent venture and sustain their livelihoods, Brijesh, who had a relatively better salary, kept his job at the textile mill to ensure a steady flow of income, while Ramesh left his job to look after

the business. Once the business broke even and started bringing in profit, Brijesh too left the mill to focus full time on the business.

They then decided to bring their two other brothers to Bombay to involve them in the business too.⁷ Reunited in Bombay, the brothers ran the business together and gradually expanded its operations while living under the same roof as a joint family with their spouses and children. For Ramesh and Brijesh, I was told, not leaving the two other brothers in poverty and bringing them into the business was driven by family values and obligations, and was thus the morally right thing to do. However, it is plausible to suggest that certain social obligations may also underlie such 'morality'. In a community where the joint family is perceived as the ideal form of organization, abandoning other family members still in poverty while one has done well oneself is very likely to affect one's reputation and image in society adversely. Also, joint families played crucial functional roles. When some of the men travelled for business to different places, their wives and children were looked after by other members (Timberg 1978: 5) at a time when leaving women alone in the house was considered both inappropriate and unsafe.

The shared household had started dispersing, with members moving out, when the second generation, the sons of the first, started getting married. Eventually, by the late 1960s the family business had also been divided between the brothers keeping in mind both the number of dependent family members each had and which section of the business each of them had already been overlooking. Ultimately, each nuclear family ran their share of the business with their own children.

At a time when merchant communities did not value education, their children would typically go to school for just a few years before dropping out to provide an extra pair of hands for the family business. Ramesh's son Sameer turned out to be an exception, not only by doing well at school but also by pursuing higher education, much to his father's dismay. Sameer, as his son Nitin puts it, had different interests: 'he was a brilliant student, he was a very good carom player and a good athlete who won many awards; he also did engineering from a reputed engineering college.' Ramesh's opposition to Sameer's educational pursuits makes sense in the erstwhile context of business communities, for whom passing down a gradually established business to a son was the preferred way of ensuring its perpetuation, as well as the family's. Nitin's proud portrayal of his father's achievements captures the later change in business communities' attitudes towards education and their evolving ideas about what constituted prestige. The fact that Sameer valued education might have jarred with the Marwari community at the time but not in the broader multicultural context of Bombay, where it was hardly an exception. Higher education was already held in high esteem,

especially in upper-caste, middle-class circles in erstwhile Bombay, and it was the most desirable means of achieving social mobility through jobs in different bureaucratic positions. In fact, the traditional middle class, who greatly valued education, did not identify themselves with the 'new commercial middle class' on account of this distinction (Markovits 2002).

After taking a bachelor's degree in engineering, Sameer enrolled for a master's degree at a prestigious university but was forced to drop out shortly afterwards to look after his father's trading business after Ramesh fell ill. One day, the Gujarati *muneeb* (manager) of their cloth-trading shop brought Ramesh a proposal to invest in a factory run by two of his fellow Gujarati neighbours. This manufacturing business was on the verge of ceasing production unless some capital was injected into it. Ramesh was hesitant to take up the offer at first, since he did not know the owners well, nor the possible yield on such an investment. However, the *muneeb* managed to convince Ramesh by referring to the conspicuous lack of alignment between Sameer's qualifications and his occupation: '*Itna padhai karke dukan me kya baithega*' ('what is the point of so much education, if he is made to just sit in the shop?'). Thanks to Ramesh's decision to invest, Sameer became the third partner in the manufacturing unit. This entire arrangement through the Gujarati *muneeb* mediated different interests: a struggling business was saved, Ramesh cashed in on an opportunity to diversify, and Sameer found a position prestigious enough to match his educational attainments.

An examination of the historiography of industrialization in India reveals that capital from trade has often found its way into industry (Rutten 2005). This trend, which continued in independent India, has frequently been attributed to a desire to diversify capital (see Oonk 2004, 2014), but Sameer's case allows us to unpack the different motivations and values such a transition may entail. Sameer's transition from 'trade to industry' was more than a matter of diversifying his capital or increasing his social prestige: it was a means to navigate the misalignment between his traditional occupation and his divergent interests and values. Being the owner of a manufacturing unit was a relatively more appropriate position matching his interests and profile, though it also provided the family with an opportunity to diversify their capital.

The manufacturing business consisted of a foundry producing moulds (casts). Though Sameer was initially brought on board as a financial partner, he voluntarily started becoming involved in the day-to-day activities of the business, learning about its functions in the process. A couple of years after Sameer joined, his two considerably older partners, neither of whom had any male heirs, decided to dissolve the business altogether. Sameer used this opportunity to buy out their shares and, using the existing infra-

structure and company name, started his own venture in 1974 by introducing a new product line.

This happened at a time when the economy and urban landscape of Bombay started experiencing spatial and industrial restructuring. In the decades that followed, Bombay transitioned from a Fordist to a post-Fordist city, its predominantly manufacturing-based economy slowly being replaced by a burgeoning service sector and a 'property-based (and finance-led) regime of accumulation' (Whitehead 2008). Furthermore, the rise of the service sector was accompanied by massive spatial restructuring of the city, which not only brought in new infrastructure but also many new regulations. Between the late 1990s and early 2000s, the area around Sameer's factory shed went through an accelerated phase of gentrification. A school was built in the shed's vicinity, and the surrounding infrastructure was upgraded to resemble a residential area. This made it increasingly difficult for Sameer to renew industrial licenses and permits for his business at that location.

Driven by these circumstances, Sameer started looking for alternative locations and opted for Palghar both for its affordable commercial real estate and because of an attractive 20% subsidy on capital investment,⁸ on top of various tax exemptions. The subsidies, however, could only be claimed retroactively. Thanks to Sameer's family capital and capital accrued from his previous business, he was able to purchase a decent-size plot and reap the benefit of the subsidies without having to take out a bank loan. Accordingly, he built two factory sheds, one to deal in cast iron, the other in alloy steel.

Along the way, Sameer's son Nitin, who also has a degree in engineering, joined his father and currently manages the business. At the time of my fieldwork, Sameer's age and the strain of commuting had caused him to stop coming to Palghar every day. Nitin enjoys the freedom to take the day-to-day business decisions himself, but, as he puts it, when it comes to very crucial decisions he still consults his father out of choice.

First-Generation Businessmen in Palghar's Small-Scale Industrial Landscape

Unlike the 'trade to industry' path followed so frequently by the first group, it is hard to identify any trajectory as typical of first-generation small-scale industrialists without a family background in business. This group, though smaller, has various caste, community and professional backgrounds. They therefore had to resort to multiple strategies depending on their structural position. The next section will delve into two of these common strategies and the contradictions they entail.

Needless to say, these first-generation businessmen among my informants, as they themselves often regretted, lacked a 'business (family) background' and did not belong to a close-knit merchant community. To counter this handicap, they often formed alliances with those who had easy access to capital. How partnerships facilitated the entry of first-generation businessmen into manufacturing is well exemplified by Amay's case, described below.

Collaboration and Its Tensions

Amay, whose first job brought him to Mumbai in early 2000, relocated a few years later to Palghar to oversee the production of a new unit there. After the first two years, he got wind of speculation that the company might shut down his unit because of certain complications. At this juncture, he was approached by a Gujarati colleague suggesting they start a business together. The proposal was for a partnership in which Mathur, his colleague, would invest 80% of the capital, but the profit would be divided equally between them. Amay, who had to invest only 20% of the capital, would have to oversee the technical side and the everyday running of the business. For his part, Mathur had enough liquidity for the initial investment, a business family background and access to contacts in the industry, but he lacked the technical ability that Amay possessed. Amay, a Brahmin from Uttar Pradesh, had always cherished the idea of starting a business, but, as he put it, the lack of a 'family background' and the associated inherent 'support' had curtailed his aspirations up to this point. Thus, banking on their individual strengths, they agreed the terms and in 1998 leased a factory shed on an industrial estate.

The two partners ran the joint unit 'together' for the next six years. With the growth of the firm, however, the frequency of disagreements between them as partners also grew, leading them to consider dissolving the partnership before it impacted on the firm's reputation. Mathur proposed to buy out Amay's share and suggested that he start his own separate business, as Mathur still lacked the technical ability to set up a new unit from scratch. Settling for this amicable solution, they ended their partnership. Amay used the proceeds of the sale to acquire a new plot and construct a factory shed in Palghar. A modest team of four skilled workers followed in his footsteps.

As part of their new arrangements, Mathur and Amay split their former partnership's product line, with Mathur continuing to produce coils and Amay taking over the production of tubes. Nevertheless, they co-operated and coordinated customer orders, referring each other to interested customers. This arrangement flourished for two years until Mathur took on

a different project in Gujarat and dissolved his company in Palghar. This worked out quite well for Amay, who eagerly jumped at the opportunity to take Mathur's product line into his business as well. Today, almost a decade later, Amay has transformed his business into a private limited company and added his wife as a shareholder. His brother is also involved as a manager and supervises production and logistics.

Even though partnership provided an alternative strategy for Amay to start a business, the experience of doing so was not without its problems. While he had agreed that he would have to invest more of his own labour into the firm's day-to-day operations, he had not expected Mathur to contribute so little time to the venture. In addition, Mathur had championed the idea of working with copper and producing tubes (pipes), in which Amay had limited expertise. Since Mathur was the primary investor and had more work experience, Amay felt obliged to acquiesce, only to discover later that Mathur hardly possessed any knowledge in the field.

Though the issues piled up over the years, leading the partnership to dissolve, the reputation, contacts and connections that Amay developed over the years in the partnership proved crucial when starting his own venture. Here, he could avoid some of the constraints that a newcomer in the market usually faces. As Amay put it: 'Suppliers ask you to provide guarantees. Now, when you are new in the market, nobody knows you, so you can't find any guarantors. In that case, you have to make the payment in advance. To do that you need capital separately earmarked for that purpose.' This differential treatment made it difficult for newcomers to start production against a backdrop of local practices of customers making only retroactive payments. Arrangements that circumvent these constraints involve a different kind of tension, as was evident in Namit and Niraj's case (below).

Subcontracting and Its Challenges

While in Amay's case it was the partnership that facilitated his entry into business, informal actors in the market also played a crucial role in navigating the informational asymmetries of the market by mediating between new businessmen who lacked insider knowledge of the local market and providing them with relevant connections, albeit in mutually beneficial arrangements.

Namit, who left a job in Africa and returned to Mumbai with his young son Niraj to look after his elderly parents, joined a venture run by his cousin and his friend in which his job was to oversee the production process. Later, Niraj and Namit decided to start a business together to manufacture and process metal tubes. They selected this line of products due to Namit's educational background in science, his experience with metals

and a friend's tip about the rising demand for metal tubes in particular in the market at that time. Their strategy was to start small and expand gradually. Niraj decided to keep his job and contribute part-time. The father-son duo provided the lion's share of the capital from their savings. With the initial investment pooled from their savings, they could only afford to construct a factory shed big enough to cover a quarter of the plot they had purchased.

Next, to procure raw materials they tracked down a supplier and, driven by their risk-averse strategy and limited capital, put in an initial order for 500 kg of raw material. Since the delivery van had a ten-ton load capacity, the supplier was surprised by this request and pointed out that they were likely to massively underutilize their operational capacity and make production more expensive by adopting this strategy. Offering support, he volunteered to put them in touch with a potential customer while also tipping them off about a unit nearby that was closing down due to labour unrest. From the latter, they could procure discounted machinery and recruit three workers with experience of operating them.

Repurposing the technical expertise from the older factory paid off, as its reputation was enough to assure the potential customer of their new business's capabilities. The customer called their supplier and placed an order for five tons of raw materials (worth 500,000 INR, about 5800 EUR) instead of the 500 kg (worth 50,000 INR, about 580 EUR) they had originally ordered, while assuring the surprised duo that he was going to pay in advance for the raw materials. For the next two years all their production capacity was devoted exclusively to this customer. The business became financially strong, allowing them to move forward with their plans to scale up by extending the entire plot with a bigger shed, new machines and workers. These 'weak ties' (Granovetter 1973, 1983) with the raw materials supplier and the potential customer allowed them as two outsiders to occupy the tube-manufacturing niche and overcome the information asymmetry.

While the extension of credit in the form of advanced payment for raw materials by this customer was crucial for their nascent firm to hit the ground running, it eventually restricted the firm's growth. The customer was buying the entire production output of their firm, removing any necessity for them to look for other customers. In addition, the 'trust' that the customer had put in them created a sense of obligation for Namit, which persisted beyond the period of their firm's financial dependence on the customer's orders. This continued relation of dependence and trust between the customer and Niraj not only expresses a cascading mutuality (Gudeman 2001); it also exemplifies Carrier's conceptualization of moral economy; namely, how 'people's interaction in their economic activities can generate obligation' (2018: 24). It was only after two years that Niraj

and Namit realized that the customer was still paying below the market rate. Namit did not want to sever ties with the customer's firm suddenly, given their prior history of 'favours', so he suggested selling only a part of their production capacity to him, as they wanted to cater to other customers. However, the customer insisted on sticking to their original agreement and even offered to buy more if they could ramp up production. For new players in the market, the lack of a reliable network often ties them to such collaborations, which they continue to rely upon, given the circumstances. Around the same time, Niraj found out that the customer had simultaneously started his own tube-manufacturing unit without their knowledge. This was common practice: that is, larger firms often started their own supplier units and discontinued orders with their former collaborators without advance notice. Fearing the worst, in the months that followed Namit seriously ramped up his pursuit of new customers, which led him to his current clientele.

Tenacity of Kinship

As mentioned earlier, first-generation business owners have frequently described themselves as devoid of any family support, in contrast to the first group, who were able to benefit from their access to family capital, insider knowledge, close-knit networks and sometimes the safety nets of merchant communities. In launching a new business, the obvious role that inherited wealth plays becomes even clearer when one considers the problem of the availability of credit from formal financial institutions such as banks.

This is reflected in the survey results I conducted among my informants. Among those active in the manufacturing sector, fewer than 20% received any assistance from the banks while starting their businesses (see Figure 4.3 below). The two main sources of initial capital were 'my parents' and 'myself'. In contrast, when we look at how these businessmen obtained 'extra capital', we see bank credit starting to play a significant role, with almost 70% reporting it as a source. Thus, only later, when one already had a venture up and running and needed additional capital to grow, were banks willing to grant loans. This observation is hardly unique to Palghar: Susan Greenhalgh noted how such 'ultraconservative bank lending policies', which declined loans to small and nascent manufacturing ventures in Taiwan, left entrepreneurs with few choices but to rely on relatives and friends for capital (1994: 751). Those of the first generation who did approach banks for initial capital were rarely successful in securing it. Amay's experience was typical: 'banks did not have enough confidence [in him]; since he was new and could not provide the collateral needed for a guar-

antee. While both groups have been able to access bank credit mostly for ‘extra capital’, what puts those from a business background (with inherited wealth) in a comparatively advantageous position is their access to family capital in the initial start-up phase: almost 60% in this category reported having received initial capital from their parents, and 15% received support from their spouses (Figure 4.1).

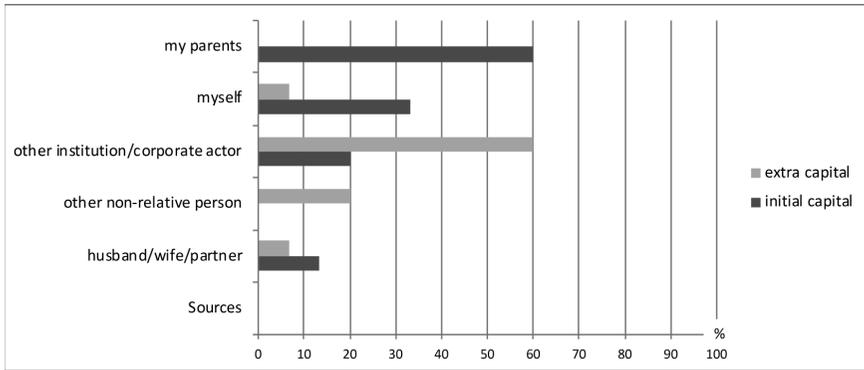


Figure 4.1. Sources of capital for businessmen from families with a background in business. (Graph based on the author’s survey.)

Businessmen from outside merchant communities were compelled to adopt alternative strategies to secure initial capital: more than 70% claimed to have received no support from their parents and none from their spouses. 60% of survey respondents in this category named ‘myself’ as a source of initial capital (Figure 4.2).

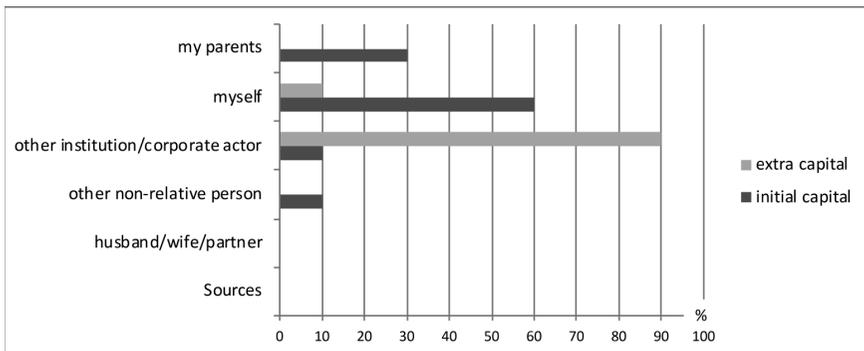


Figure 4.2. Sources of capital for first-generation businessmen. (Graph based on the author’s survey.)

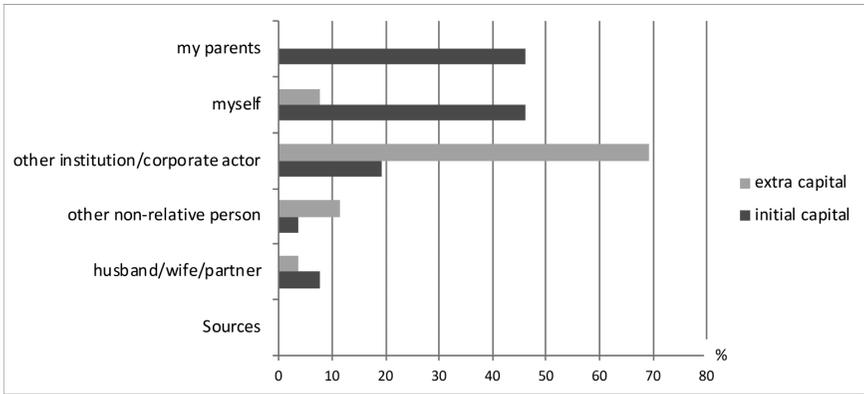


Figure 4.3. Sources of capital for all businessmen in the manufacturing sector. (Graph based on the author’s survey.)

The data above thus reveal the role financial institutions and their lending policies often played in reproducing the dominance of businessmen from traditional business communities in Palghar, who were already in an advantageous position due to their access to family capital and community connections. This also ties in with the question I raised at the beginning about the impact state policies alone – subsidies and exemptions – could have had in bringing in new businessmen. Given that state subsidies were in most cases paid retroactively, one already needed the initial capital to start the business and keep it going until one could obtain subsidies and reliefs. This, coupled with the lack of institutional support reported by newcomers above, left those with business backgrounds and family capital in a much more favourable position to start new businesses and reap the benefits of state subsidies.

Even though they lacked family capital, whether in the form of inheritance or of an accessible pool of financial resources, the claims that first-generation business owners make regarding the lack of family support need to be revisited: a closer look reveals that here too family continues to shape their trajectories, albeit in other ways. Studies of subcontracting firms, under which many small-scale enterprises in Palghar fall, have highlighted the crucial role that flexible family labour plays, especially in their formative years (Yanagisako 2018: 50). Apart from the owner’s technical knowledge of the production process, their ability to tap into inexpensive or even unpaid family and kin labour (*ibid.*: 51) facilitates the starting of such firms. For Niraj and Namit’s business, kinship mutuality and obliga-

tions provided them with crucial flexible family labour. Niraj could maintain a steady income from his job to sustain his family and his firm while his cousin and his father Namit spent more time focusing on the business. While his father commuted to Palghar from Mumbai several times a week, and Niraj would do the same at weekends, the cousin stayed in a small room on the mezzanine floor of the factory and oversaw the business five days a week. This arrangement continued for nine years until Niraj left his job to join the business full time.

The role that family and kin played in Amay's ventures cannot be ignored either. While he was entering the world of business ownership through the first partnership, the initial capital to start that business was largely provided by his partner's kin; later, when Amay started his own venture, two of his family members stepped into crucial administrative roles. The importance of involving the family in fulfilling such roles should be understood within a context in which the use of verbal contracts or the complete lack of any contracts is rampant in the hiring culture. Though this allows business owners to knowingly circumvent state regulations surrounding employment conditions, it also enables employees to abruptly change jobs. Family members can provide the business with the scarce resource of flexible labour in these situations. Employing his brother as his manager allayed Amay's fear that his firm might suffer due to key employees leaving the job midway after the firm had invested in their training and know-how. Amay remarked, 'I know he has a sense of belonging, and this gives me a feeling of security.'

Again, when his accountant suddenly left, disrupting the function of the new firm, Amay's wife Netra temporarily filled in for the position. Though he hired another accountant later, she continued to invest a few hours flexibly in the business daily, following up with the company's advertisements and supervising the accountant or managing what was important on any given day.

Conclusion

In this chapter, I have shed light on the contrasting experiences of two groups of businessmen. To uncover the moral economy at work within these small businesses, I have explored the ways in which obligations of kinship and mutuality, as well as social relations more generally, shaped these experiences. The chapter started by questioning the role of state policies alone in supporting new actors in the small-scale sector, while highlighting the persistent dominance of certain groups in the small-scale landscape. However, going beyond attributing this to the 'entrepreneurial spirit' of these groups, I explored their historical and social contexts. Using

a case study of an intergenerational business run by businessmen belonging to one such merchant community, the Marwaris, I demystified the much referenced path of capital from 'trade to industry' in the small-scale sector. I showed how different modes of belonging – to community, family and kinship – shape different strategies of capital accumulation and how the values, obligations and expectations that arise out of these belongings influence the running of the enterprise. In Ramesh's case, community affiliation facilitated the actors' transition to a new city and their own businesses by enabling preferential access to information, credit and other resources.

In the case of Sameer, I showed the crucial role that kinship obligations and family capital played in enabling one's entry into the field of manufacturing. However, looking at such investment as just providing scope for diversification obfuscates the other social dimensions it entails. Capital's path from 'trade to manufacturing' is not a 'natural' process, and its internal dimensions need to be uncovered. In the case study, for example, Sameer's decision to enter industry was to a greater extent also influenced by his attitude towards education, which made traditional professions like trading seem less prestigious and ill-matched with the prestige that a certain level of education bestowed.

I also showed how government intervention and urban restructuring influenced the course of business further. Places like Palghar indeed offered attractive subsidies, but that alone was not sufficient to explain why certain businesses ended up there. While subsidies were helpful in sustaining or even expanding an already running firm, on their own they could not bring completely new players into industry. Much of this can be seen as a result of the procedure for claiming these subsidies, which could only be claimed retroactively, and therefore hardly contributed to initial capital, which the new players lacked the most. Rather, it was people like Sameer, with family capital or capital from previous ventures behind them, who were in the position to reap the most benefit from it. Banks and other financial organizations, likely without any explicit intention, nevertheless reinforced this discrepancy when they preferred to lend to those who already had a business background, rather than to completely new players.

Building on this, in the second part of the chapter I examined two of the ways in which new players typically raised their initial capital in the absence of family capital or capital from previous ventures. Neither bank loans nor family capital contributed significantly to their initial capital. In Amay's case, it was only later when he had a business running that he was able to secure financial assistance from the bank. Against this backdrop, I discussed the alternative strategies, in the form of partnerships, obtaining raw materials on credit and subcontracting arrangements that enabled some newcomers to start their ventures. Whereas Sameer's case exempli-

fied one side of such collaboration, his entry into manufacturing being as a financial partner, Amay's case showed the other side of this, where his knowhow enabled him to become a partner in the manufacturing business. However, as I discussed in the last part of the chapter, each arrangement involved certain tensions and posed limitations on the functioning of these businesses at some point. Notwithstanding the tensions, such collaboration was what primarily facilitated the entry of these new businessmen from different caste and community backgrounds into the small-scale industry of Palghar. For both groups, however, kinship played a crucial role in building and sustaining the business, albeit in different ways.

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Notes

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1. By trading castes, I collectively mean the Vaishya varna and its (sub-)castes, whose members have been historically active in trade. In contrast, the term 'trading communities' (or 'traditional business communities' or 'merchant communities') refers to ethnolinguistic communities (including trading castes) that have been found running businesses, historically and currently, in proportionally larger numbers. While a traditional business community can have a significant proportion of its members hailing from trading castes, it can also have members from the non-trading castes. Gujaratis (including Kutchi and Indian Sindhi) and Marwaris are two such communities that are dominant in Palghar's small-scale industrial landscape.
2. Given the secular nature of the constitution of independent India, the lack of official data on the caste and community backgrounds of business owners makes it very difficult to substantiate this with statistics.

3. Figures 4.1 and 4.2 give the results of a survey of 26 manufacturing units, conducted to complement the qualitative data. Although the actual figures must be treated with caution due to the small number of cases, this result reveals important differences between the two groups.
4. The term 'Marwari' is used to refer to people from the Marwar region (currently Jodhpur district) in Rajasthan who speak the Marwari dialect. They come from different caste, class and tribal backgrounds, and may be Hindus or Jains. Today, Marwari has become a general label for those who speak the Marwari dialect and have family connections from or around the region (Gregory 1997).
5. The mercantile histories of some communities stretch as far back as the sixteenth century. Owing to its proximity to the Arabian Sea to the west of the subcontinent and multiple ports, trade networks between the Gujarat region and the Middle East had existed for hundreds of years before the arrival of the British colonists (Chandavarkar 2002).
6. Although in this specific essay Timberg (1973) focused on Marwari firms between 1860 and 1914, these arrangements were resonant in the narratives of my informants whose ancestors arrived in Bombay even in the 1940s and 50s.
7. As Hein Streefkerk (1985) noted, in the Indian context, starting a business was frequently motivated by the intention to create employment for the rest of the family, rather than being one's own boss.
8. This extended to the categories of land, labour and machinery.
9. These quantitative data must be set alongside the qualitative findings. For instance, Amay declared 'myself' as the source of capital for his current business, but that would not have been possible for him had he not previously entered into a partnership in which 80% of the initial capital was provided by his partner.

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5



The Morality of Relatedness in Medium-Sized Businesses in Central Anatolia

CEREN DENİZ

Introduction

One summer afternoon at Çor-Mak,¹ when the pace of work had slowed down fairly and everyone was a little bit more relaxed in comparison to the busy morning routine, Sevim the receptionist, in her late thirties, whispered to me from behind her desk, calling me over. She seemed excited and amused about what she was about to tell me, and said: ‘Do you know what happened yesterday?’ As I did not, she started narrating the incident with exaggerated gestures. First, she had received a phone call from the security guard at the factory gate asking for clearance for a young man who had come to visit Cemal Bey,² the co-owner of the factory. This was a regular occurrence; she asked who she should say the visitor was and learned that he was one of Cemal Bey’s nephews. Keeping the security guard on hold, she called Fatih, the manager and Cemal Bey’s second cousin, on the other line and told him about the visitor. Fatih, instead of replying, rushed out of his office, walked towards reception and, in a louder voice than normal, said: ‘Cemal Bey has only three nephews:³ me, Enes and Osman! There are no other nephews!’ Enes and Osman were indeed other ‘nephews’ of Cemal Bey working in his factory. Fatih was not simply stating a fact: his immediate reaction and tone revealed an apparent discomfort about what he perceived as a potential threat. In the end, Sevim told me, the visitor turned out to be a co-villager of Cemal Bey who had probably introduced himself as a nephew in the hope of increasing his chances of getting into the factory to ask for a job. Both the

visitor's attempt to fake his identity and Fatih's reaction made the incident gossip-worthy for Sevim, who was not herself related to Cemal Bey. Consumed by the thrill of the gossip, she forgot to mention whether the visitor had been allowed inside.

For me, it was yet another indication of how different degrees of 'relatedness' and 'non-relatedness' to one's employer entailed different and sometimes contradictory meanings and expectations for those involved. The visitor assumed that Cemal Bey would feel more obliged towards a 'nephew' than he would towards a 'co-villager.' This suggests that different levels of relatedness carry different sets of obligations and expectations, which then shape the job-seeking strategies of young people. However, the visitor's strategy backfired, since there were already three 'nephews' working in the factory who harboured similar expectations of being the nephew of a rich uncle, and the nephew in charge was not willing to share the pie with a fourth potential recipient. Ultimately Sevim was aware of these distinctions between different levels of relatedness but was cynical about them, reflecting her status as an outsider.

This chapter aims to elaborate on the hints revealed by this vignette and to pose questions about the content and nature of 'relatedness' and its obligations and expectations in a workplace community in the provincial Turkish city of Çorum. More generally, I try to tackle questions such as: How do employers and workers use the discourse of kinship? What does it mean to be related to an employer as either a co-villager or a nephew? Are such obligations necessarily oppressive, or could they provide a degree of autonomy as well? How and when do different social roles and interests collide or conflict? What happens when personal interests outweigh social obligations, and how does this affect people of different degrees of closeness? What constitutes the limits to these roles and interests?

Based on ethnographic fieldwork in a medium-size machine firm in Çorum between 2015 and 2016, I aim to answer these questions and explore how individuals navigate these contradictory roles between the market and the community (Gudeman 2009). I look at practices of relatedness-based recruitment and promotion, problematize the moral content of relatedness in employment relations and discuss their implications for moral economy at work. In what follows, I first provide the reader with a theoretical framework that will help me answer these questions. I then present the ethnography in two parts. The first part focuses on the discourses involved in recruiting co-villagers and distant relatives and how the actual process unfolds. In the second part, I elaborate on the life and work stories of family members, including the nephews mentioned above, in order to tackle the questions raised in the vignette.

Theoretical Framework

Theories of modernity often treat the involvement of family and other relatives in business as an anomaly in modern capitalism (Yanagisako 2002). This idea mainly rests on the ideal-typical distinction made by Max Weber (1978) between economic action and other actions that correspond to his distinction between ‘modern’ Western capitalism and other forms of capitalism. Accordingly, economic action in modern capitalism ‘is concerned with the satisfaction of a desire for “utilities” . . . which is in its main impulse oriented toward economic ends’ (1978: 63), whereas households are committed to the ‘direct feelings of mutual solidarity rather than on a consideration of means for obtaining an optimum of provisions’ (ibid.: 156). Thus, Yanagisako (2002: 21) argues that the involvement of the family and other relatives in business brings community commitments and obligations into the equation and qualifies rather as an ‘oxymoron’ in the Weberian understanding. Following this fundamental distinction, many studies have discussed the ‘persistence’ of family relations in business as doomed to disappear, since their involvement violates the primary logic of the pursuit of profit accumulation. As I will demonstrate in the following section, the protagonists in my research also seem to be caught up in a dilemma between community commitments and profit-making, which they try to balance without jeopardizing their businesses.

In the Marxist understanding, too, the concept of the ‘family worker’ is a blurred category, obscuring the social relationships involved in the antagonism between labour and capital. As Karl Marx describes extensively in *Capital* (1978), the production of surplus labour, either by decreasing costs or improving technology, is necessary to create surplus value and thus make a profit. The extraction of surplus labour lies at the core of the logic of capitalism, having been infiltrated into local communities around the globe and created the institutional framework necessary for profit maximization. However, this supposedly all-pervasive capitalist logic comes with two major pitfalls in relation to our understanding of how relations of production are constituted. First, it fails to explain the capacity of cultural processes to shape capitalism (Yanagisako 2002). For instance, a ‘family worker’ might be given extra benefits or a share of the profits without having any claim on the means of production but just by being related to the employer, who negotiates surplus value with the family worker for his/her assumed loyalty. Thus, Yanagisako suggests that the role of sentiments, desires, gender, kinship and morality in the making of both the working class and the capitalist class should be taken into account (ibid.). In my investigation of the ‘moral’ content of relatedness in capitalist employment relations, I bring in the notion of a ‘moral economy’ from the work of E.P. Thompson (1971: 79), who

describes it as ‘a consistent traditional view of social norms and obligations, of the proper economic functions of several parties within the community’. At the same time, I draw on Dimitra Kofti’s (2016) reformulation and expansion of the term to include different groups such as managers, workers with different statuses and employers, who ‘situationally draw from different values derived from antagonistic and coexisting moral frameworks’ (ibid.: 438) and thereby shape the relations of production.

Secondly, while the need to extract surplus value through the production of surplus labour is evident in the Marxist understanding, ‘the same cannot be said for the mechanism involved in the production of surplus labour and its extraction’ (Smart and Smart 1993: 10). That is to say, there has been a failure to explain how workers are made to work more while being paid less. It is often the case that the reallocation of production to less developed countries and resurgent regional economies is explained by their advantage in having cheap labour costs: this is also the case for local industrial provinces such as Çorum (Demir et al. 2004; Pamuk 2007). However, as Smart and Smart (1993: 10) rightly argue, ‘it would be overly simplistic to assume that the lower wages automatically generate greater surplus value.’ Working with relatives is also understood as being based on a similar simplistic assumption. Often, those who challenge the idea that working with relatives is anomalous tend to stress its function and advantages in the formation and development of the business (Khalaf and Shwayri 1966; Capello 2015). This argument is also shared by anthropologists to some extent, though the problem lies in the treatment of family workers’ utility as a natural outcome. This approach simplistically assumes that hiring relatives automatically ensures greater surplus value or enables development and economic growth by treating family, community and kin as ‘a stable cultural resource rather than a historically situated, negotiated process that is itself continually being produced’ (Yanagisako 2002: 3).

In this chapter, as well as following Yanagisako’s approach to family, community and kin outlined above, I am inspired by the turn in kinship studies in anthropology (Peletz 1995; Carsten 2000) that approaches ‘kinship in terms of social relations among variably situated actors engaged in the practice of social reproduction’ (Peletz 1995: 366). Following Carsten (2000: 4), I use ‘relatedness in opposition to or alongside kinship in order to signal openness to indigenous idioms of being related rather than a reliance on pre-given definitions’, which makes it possible to capture co-villagers and remote relatives whom Çorum people situationally refer to as kin. By approaching relatedness as a process and ‘emphasizing local practices and discourses of relatedness, and demonstrating how these impinge on and transform each other’ (ibid.: 14), I aim to show how the different moral frameworks of people with varying degrees of relatedness situationally col-

lide and conflict in everyday economic life, when it comes to making people work more while getting paid less. In other words, the processual and broader approach to kinship brings out the complex everyday practices that play a role in extracting surplus value in a workspace where antagonistic and coexisting moral frameworks are at play.

Several anthropological studies offer detailed ethnographic analyses of how family and kinship (and its discourses) operate in relation to the formation and organization of modern capitalist businesses in both western and non-western contexts. For this chapter, I rely primarily on ethnographies that reveal the politics of kinship in the workplace (De Neve 2005); the constitution, deployment or denial of discourses on kinship among workers and employers (Dubetsky 1976; Smart and Smart 1993; Haynes 1999; De Neve 2005); 'fictive' kinship that naturalizes relations of power and domination in the context of mutual obligations (White 2000, 2004); and ideas of 'collectivism' that obfuscate the gender, ethnic and other inequalities that enable flexible forms of capitalist accumulation (Greenhalgh 1994). I draw particularly on this literature because all these studies address the question of the production and extraction of surplus labour specifically in cases where kin are involved.

My use of 'moral' and 'morality' in this chapter generally denotes traditional social norms and obligations. However, how, when and to whom these norms and obligations do or do not apply also needs to be addressed theoretically. On the whole, kinship morality is discursively invoked by employers to create a more loyal and reliable labour force. Yet when it actually comes to recruiting, promoting or laying off kin, there appear to be limits to the benefit of incorporating relatives, both for workers and employers. Bloch suggests that we differentiate between the moral and tactical meanings of kinship terms, which, when used strategically, 'may have little to do with kinship in the strict sense of the word' (1971: 80). In a later paper, he clarifies the notion of the morality of kinship further and argues that the limits to kinship morality can be estimated 'by observing the degree of tolerance of imbalance in reciprocal aspects of the relationship. The greater the degree of tolerance, the more morality' (Bloch 1973: 77). Accordingly, relationships between distant kin, friends and neighbours fall into the category of 'short-term morality' because the willingness to accept an imbalance is less and therefore easier to discard when it becomes too costly in the short run. Kinship is subject to 'long-term morality', where it tolerates the imbalances of delays and remunerations in reciprocity. According to Bloch, 'the long term effect is achieved because it is not reciprocity which is the motive but morality' (ibid.: 76).

This last point resembles James Carrier's (2018) take on the 'moral economy', where he reformulates the content of the 'moral' in economic relationships. Accordingly,

the content of these relationships accumulates over the course of time. . . . Each interaction is shaped by those that preceded it and is part of the foundation of those that follow. In this sense, those interactions are not only the content of the relationship. They also are the basis of the expectations that each party to the relationship has about the other party, about the obligations each has toward the other and about the relationship itself. (Ibid.: 23)

In both Bloch's and Carrier's arguments, the 'moral' is achieved in the long run through recurring interactions and/or tolerance, regardless of the content of the reciprocity. One could argue that when working with kin, the moral content of these enduring bonds is actually that which enables the mutuality of the often-contradictory roles of being an 'individual' and a 'person-in-community', as also prevails with Çorum's business owners. Gudeman (2009) argues that the continuous shifting between these roles would on some occasions enable market gains to be transformed into communal commitments and vice versa or would lead to tensions between these mutually dependent realms and identities. As my ethnography will also show, regardless of how long established or morally motivated the interactions are, the tensions among kin who work together can also lead to a breaking point. This is not because they are immoral but because market practices have the capacity to 'erase their contingency [mutuality] and dialectically undermine their existence by continuously expanding the arena of trade, by cascading, by appropriating materials, labour and discourse and by mystifying and veiling the mutuality on which they are built' (ibid.: 37). This is why Bloch's and Carrier's emphases on longevity in the formation of the moral component of the interaction, while having great explanatory power, overlook the importance of the content of reciprocity that prevails even in relationships established in the long term. This chapter aims to contribute to literature on the politics and morality of relatedness – a broader concept than kinship, as explained above – and on moral economy at large by showing the limits of both short- and long-term 'moral' interactions. To do so, I draw on the ethnography of a medium-size industrial firm in Turkey.

The Puzzle of Recruitment of Distant Relatives and Co-villagers at Çor-Mak

Çor-Mak started operating in the early 1990s, producing flour factory parts in a small atelier; the business was later expanded and moved to an industrial zone.⁴ Today, the factory has sixty to seventy manual workers and around ten office workers, who provide Çorum's supply chain in the flour-machine sector through subcontracting relations both locally and abroad. The owners of the factory are Cemal Bey, an ex-factory worker

and foreman from a peasant family from a village near Çorum, and Bülent Bey, an engineer educated in Germany from a family of civil servants and with roots in Çorum's notables. Differences in their sociocultural and educational backgrounds manifested in the division of labour of their responsibilities. Cemal Bey dealt with the production process and workforce control; Bülent Bey with engineering and finance. They both knew most of their workers by name, as well as the calculations and technical drawings of the machines. But Bülent Bey did not seem to know much about matters related to the recruitment, promotion and control of the workers, nor did Cemal Bey know the details of the pages and pages of advanced calculations that Bülent Bey keeps in thick files in his office. The social organization of the factory therefore owed much to this basic premise.

As part of my research, I carried out a quantitative survey that included a few questions on employing family members or relatives. When Cemal Bey filled in the survey, he initially noted that no family members work in the factory. This was within the first few weeks of my presence in the factory, so I raised this topic with women office-workers. Sevim, an unrelated worker, laughed in my face when I told her I thought that relatives did not work here. She said: 'Inside (meaning the shop floor) is full of Cemal Bey's *akraba* (relatives) and *köylü* (co-villagers). He filled the whole place with them. Ayfer here (pointing to the tea lady who was present) is also a relative of Cemal Bey.' Ayfer herself later explained that her paternal grandmother was Cemal Bey's paternal aunt. She also explained her *akrabalık* (relatedness or kinship) to other workers through her being related to Cemal Bey and his wife. However, her descriptions were too complicated to follow, as she described the different branches of a lineage that were not necessarily from the same descent line.⁵ When Sevim referred to Cemal Bey's relatives working in the factory, she used the term in a general conventional sense, not because she knew exactly who is related to whom. In fact, most of those she described were either distant relatives or co-villagers rather than close relatives. The shop floor workers, who I spoke to on their tea break, similarly said that at least 80% of the workers were Cemal Bey's co-villagers, but over the years, this figure had decreased to half. Nonetheless, it was difficult for me to differentiate close relatives from distant ones or relatives from co-villagers. This ambiguity in the use of kin terms resonates with tactical usage of kinship terms as Bloch (1971) suggested. In the case of Çor-Mak, the tactical usage of kin terms does not denote kinship roles but shows that there is a value attached to being related (not really in respect of kinship but in having a relation with or link to someone born in the same village) to the employer. This apparently leads non-related workers to distinguish themselves from their co-villagers or employees who are relatives for a reason. I will elaborate on this reason below.

Later, when I was going over the survey questions with Cemal Bey, I brought up the topic again. This time he started explaining that Çor-Mak was not a family firm: after all, he was not related to Bülent Bey. He went on to tell me about the problems of working with relatives, that they would always expect privileges and that sentiment can become involved. When I pressed him further, he half-heartedly mentioned that Bülent Bey's son, Ulaş, had joined them that year after finishing his undergraduate studies and added that Yavuz, the foreman, was his brother-in-law but was going to retire that year. He was obviously reluctant to talk about the matter, as was Fatih, the manager and Cemal Bey's paternal second cousin, who said that they preferred not to hire relatives – even his brother – because people would rely on their good terms with them and become lazy or ask for more wages. While it was a little ironic to hear a relative of Cemal Bey say this, apparently they did not want to present themselves as a company that hires relatives and co-villagers. Even though Cemal Bey, Bülent Bey and Fatih would all say on other occasions that the firm was 'like a family', they would deny the discourse and existence of any kinship between them. This was puzzling: non-related workers would point out the ties of co-villagers and kin to employers, but the employers themselves would deny it. Hiring relatives and co-villagers seemed unprofessional, especially when they had recently hired an expert on management to modernize the labour process. This management expert brought in the Weberian formulation that since the family resonates with 'mutual solidarity' to work with family members was at odds with the company's interests, a sentiment repeated by Cemal Bey as well. Yet it was also obvious that they had initially hired relatives and co-villagers, only changing their policy later on. The question is therefore two-fold: why did Cemal Bey and Bülent Bey hire relatives and co-villagers to begin with, and why did they change their policy and now deny all relations of kinship with their workers?

Paul Stirling (1965) pointed out that Turkish villagers were uncomfortable in relating to others outside their own geographical vicinity, while Mübeccel Kıray (1984) found that one third of the townsmen and two thirds of the villagers she interviewed in Ereğli would consider anyone born outside their own settlement as a *yabancı* (stranger). Even in the middle-class urban context, it is common for someone to prefer to approach a *tanıdık* (acquaintance) to get things done, or to obtain advice or aid. Similarly, Carol Delaney (1991) links her villagers' self-identification with their roots in terms of both their relations and their relatedness to one another, with a sense of ethnic superiority informing 'their desire to remain one inside, closed group, untainted and unpolluted by mixture of outsiders' (ibid.: 149). When one projects these sentiments onto the recruitment of workers in small and medium-size workplaces like Çor-Mak, it is very likely that

co-villagers and relatives turned to Cemal Bey when they needed their sons to generate a new source of income at a time when subsistence farming could no longer meet the household's expenses.

Since the 1960s, many villagers have followed a similar pattern upon arriving in this central city. Rural young men in Çorum mostly migrated to the city gradually, first leaving their wives and children in the village, perhaps commuting at the beginning, but bringing their families once they could afford a proper flat to rent or purchase. Similarly, when young men and boys dropped out of school,⁶ they were given to the industry⁷ (*sanayiye verilme*) to work with someone whom the father knew and trusted or were sent on Quran courses or to religious schools for a while before finding industrial jobs as apprentices. Kadir (35) and Hasan (43), both welders at Çor-Mak, exemplify their respective generations, as both were sent to such schools. Hasan dropped out after a short time and found a job in the industry through his acquaintance with Cemal Bey. Kadir, on the other hand, pursued a religious education and wanted to make a career out of it, but he found the courses boring and too restrictive, so he too sought a job in industry. Both have migrated to the city, bought flats with bank loans and brought their families there.

As the life stories of Kadir and Hasan illustrate, young men who dropped out of school or who were simply not interested in studying found themselves in the industry either of their own or their fathers' choices. It is hence very likely that Cemal Bey would have employed his co-villagers and relatives, especially in the first years of their start-up, in order to build up a loyal workforce prepared to work long hours for low pay and be exploited. Today, Cemal Bey describes half of his workers as coming from apprenticeships and constituting the backbone of the factory. This recruitment procedure is quite different from what Alan Dubetsky (1976) described of Anatolian migrants in Istanbul. In comparison, in Çorum, Cemal Bey recruited almost solely from among his relatively unskilled co-villagers for whom there were hardly any other job opportunities. However, he and his co-villagers had a sense of familiarity with one another, sharing primordial ties based on common geographical origins and trust and loyalty generated from these demarcated and personalized relationships, similar to Dubetsky's Anatolian migrants. At the same time, being a co-villager of Cemal Bey would still help to distinguish yourself from others, as in the logic of the strategic usage of kinship terms by unrelated workers. Only co-villagers and relatives of Cemal Bey were not truly *yabancı* (stranger) in the sense that Stirling and Kıray indicated in their respective studies.

Nevertheless, the demarcated and personalized relationships with Cemal Bey meant that employees demanded more than just recruitment. As Douglas Haynes describes employers' understandings of such relation-

ships: 'Rarely did these characterizations refer to the fairness of salary or legal benefits; instead they concerned a wide range of social considerations beyond the wage relationship' (Haynes 1999: 149). It was common practice in Çorum (and probably elsewhere) for employers to provide for their workers, one example of this being moneylending. In the later months of my fieldwork, I came to realize that one of the reasons the recruitment policy was changed at Çor-Mak was to avoid having to lend money to workers. Cemal Bey eventually told me how common moneylending had been at the factory and that almost all workers would borrow money; for instance, a sum of 5000 TRY⁸ all at once, which would be paid back in instalments of 100 TRY through deductions from their monthly wages. However, the workers' debt had increased incrementally over the years to amounts they were finding difficult to pay back. As a result, Cemal Bey and Bülent Bey wanted to put an end to the practice by shifting workers' roles from 'persons-in-community' to 'individuals', thinking what was best for the business. They did so by legally laying off workers and having them receive their legal compensation, which the workers used to pay off their debts to Çor-Mak, and then re-employing some of them, whereas others, being at the age of retirement, were forced to leave. Outstanding debts determined the limits of short-term morality between Cemal Bey and his co-villagers and distant relatives because, as opposed to the long-term morality of kinship, the short term is less moral, is less willing to accept imbalances and delays, and is easier to discard (Bloch 1973). Many co-villagers of Cemal Bey developed the manual skills for more senior jobs at Çor-Mak; some bought flats in the city, while few others who no longer wanted to remain loyal to Cemal Bey, working long hours for low pay, started their own businesses. Cemal Bey resented them because he wanted to keep skilled workers and did not mind lending money to them; in other words, he was willing to shift to a 'long-term morality' of kinship, but his motive was not 'moral' (Bloch 1973) nor was it the longevity of the relationship that both sides felt obliged to transact in the future, as Carrier (2018) describes.

Hopes and Failures of Family Members in Çor-Mak

The longer-term morality of kinship applies only to family members and close relatives who are regarded as loyal and trustworthy in the longer run and who have a greater willingness to accept a lack of reciprocity. In Çor-Mak, as is the case in many other medium or even large companies, family members and close relatives are placed in management positions or are trained to take on such positions (see Figure 5.1). One exception was the least skilled worker, Özcan. As his son-in-law, Cemal Bey felt he could

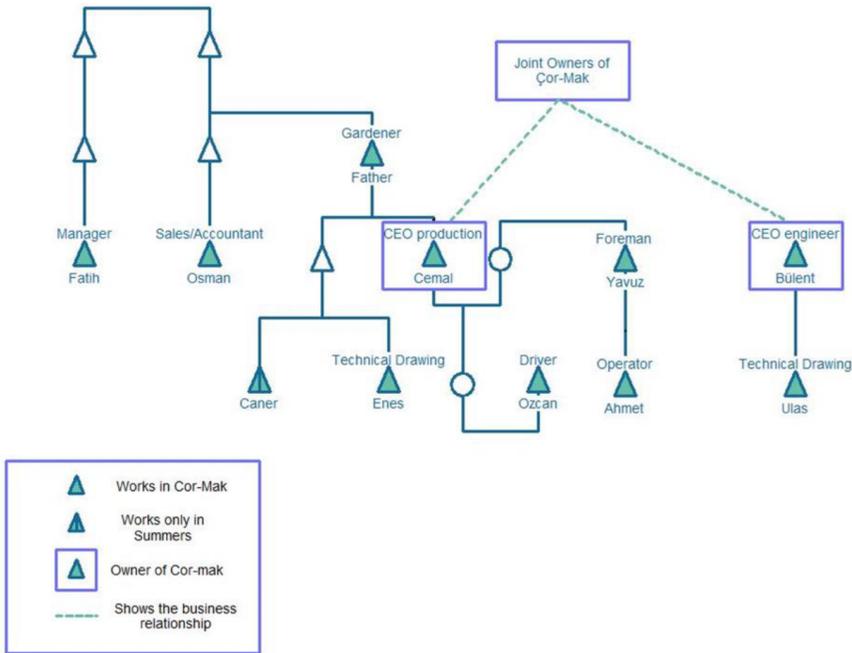


Figure 5.1. Kinship diagram of Çor-Mak. (Diagram produced by Ceren Deniz.)

not be dismissed as the provider for his daughter. By elaborating briefly on the life and work stories of three individuals who refer to themselves as the ‘nephews’, I shall illustrate how the long-term morality of kinship has benefits as well as high costs for both parties.

Fatih

Fatih is 33 years old and married with two children. He is Cemal Bey’s second cousin. Fatih started working at Çor-Mak around the age of thirteen, after dropping out of school. In his own words: ‘For nineteen years, all with patience. With patience. I never disobeyed them. I was never lazy. I did everything they asked me to do . . . and I believe I did more than they expected.’ Despite being disadvantaged by not finishing formal education, Fatih learned all the computer programs, including the 3D drawing techniques and Bülent Bey’s advanced engineering calculations, alongside the manual skills he had mastered on the shop floor. For the last four years, he has worked as the manager of the company, acting on behalf of Cemal Bey and Bülent Bey under their supervision. His work comes before everything else, and he expects the same dedication and ambition from others. At the

same time, he has a father–son-like relationship with Cemal Bey. Cemal Bey helped him with his father’s funeral and his wedding, as well as with his problems with his wife. He bought Fatih a flat, a *bağevi*⁹ next to his own, furniture for the new flat, a new laptop Fatih chose himself and an iPhone. Fatih has been paying the cost of the flat from his salary in instalments, but he does not know how much the *bağevi* cost because Cemal Bey will not tell him. Since Fatih became the manager, he demands that Enes, Osman and Ulaş work on some Saturdays,¹⁰ which he decides arbitrarily. None of them knows until noon on Friday if they will have to work or not the next day. Fatih’s moral framework is based on the values of dedication and hard work and the rules of paternalism and the authority that comes with it.

Enes

Enes is 23 years old and married. He is a classificatory nephew of Cemal Bey. He studied technical drawing at a provincial university for two years. Since his adolescence, he has been working in Çor-Mak after school and in the summer. He has been trained by Cemal Bey, Yavuz and Fatih in every step of machine production. He has also been taught to obey, to keep silent and to nod to the powerful male figures surrounding him. Enes’s memories of the early years of his employment as an apprentice in Çor-Mak are a bit bitter, especially when he talks about Yavuz, who disciplined him and other apprentices in cruel and abusive ways. He would describe the factory bells as school bells and the rules as military discipline. Nonetheless, he has a great deal of respect for Cemal Bey and Fatih, the kind of respect that is driven partially by fear and partially by envy of their wisdom and knowledge. He has the desire to become like them, a desire that includes having the power they have over others.

After he came back to Çorum from his undergraduate studies, Cemal Bey decided that Enes should work in the laser department¹¹ of the factory because there were none of ‘them’, meaning the lineage of either Cemal Bey or Bülent Bey, in that department. Enes made a few mistakes, which caused the company a substantial financial loss, plus he had a fight with his uncle Cemal Bey about being disrespectful towards his superior. As a result, he was either fired or left the factory himself – this was not clear to me – and with the encouragement of a friend he went to İzmir to work for a mining company. Separating from his uncle’s factory was a bold move, and he took risks in testing his ability to succeed in the ‘outside world’. However, in his first quarrel with his new supervisor he became very offended, could not handle being scolded by a stranger and felt lonely in İzmir. So, on a whim, he came back to Çorum, searched for a job and eventually found one, but he could not get along with the other employees there either. According to

the rumours, it was due to the insistence of his grandfather (Cemal Bey's father) that he was taken back by Çor-Mak.

During my presence there, he made several more mistakes in the technical drawing and shipping sections that meant substantial losses for the company. Each time, Cemal Bey became furious, swore at him and threatened to fire him. Enes nevertheless works very hard and in a more dedicated fashion to compensate for his failings. He is scared of making mistakes again and wants to prove himself and have a permanent position at Çor-Mak. Enes looks up to Fatih and dreams of a position like his. At the same time, he keeps his savings in Cemal Bey's account because he thinks it is safer than the banks. Moreover, he says that he does not want to lend money to acquaintances, who assume that as the nephew of a rich uncle he should have enough money to lend. He says he needs to keep it safe for the sake of his own household, meaning himself and his wife. Enes's moral framework is similar to Fatih's, but he desires autonomy for his household and wants to become the future authority and put an end to the humiliation that is so familiar to him.

Osman

Osman is in his mid-thirties and married with two small children. Unlike Fatih, he is a first cousin to Cemal Bey. He studied computer programming in a larger city of Turkey. Two years before starting to work in Çor-Mak, he owned a computer shop where he provided hourly internet usage to customers on his computers for some years. His dream was to start his own business and buy a house and a car before he turned thirty, a moral attitude shaped by the desire for stability and autonomy. Although he achieved this dream to a certain extent, by 2014 the computer shop was not making even a third of the profits it earned in 2006. Computer use was changing quickly, and Osman, lacking capital, could not really catch up with the sectoral developments. He had taken out a bank loan to buy his house and was looking for a way to pay this back without taking any more risks before he went into bankruptcy.

About that time, Fatih approached him with a job offer at Çor-Mak. The position he offered required skills in using certain advanced computer programs in which Osman had no training. Nonetheless, both Fatih and Cemal Bey believed he could manage it. Osman also felt encouraged, as he had some familiarity, he explained, having previously provided IT services to this company and also because he had kin and/or village ties to most of the workers. Yet, he could not cope with the position, so instead he was put in charge of sales and accounts. Other non-related employees who had worked there longer and had more experience in sales and accounting

were not given any priority for this position. Osman had some experience, since he had had his own business before, but he did not know the accounting programs, nor was he familiar with the materials purchased for the company. Two years on, and Osman is still struggling with his job. He is frustrated by the fact that he might be disappointing Cemal Bey and not fulfilling his expectations. He says that because he is related both to Fatih and Cemal Bey they would not lay him off or treat him the way they would treat a failing *el adamı* (a synonym for *yabancı*, outsider). Another problem is his discomfort in taking orders from his superiors and not being able to act on his own initiative; even in minor tasks he has to do what he has been told. He finds it increasingly hard to take orders from family members, whom he is not supposed to question.

Discussion

During my fieldwork, some of the most frequent answers of employers to the question ‘What do you think a good employee should be like?’ were that they should treat the job as if it were their own business, follow rules and orders and not ask for or negotiate over wages. At the same time, employers expected workers to take responsibility and be creative in problem-solving. The way they spoke about wages strongly implied that the worker should leave his or her side of the wage relationship open-ended. This kind of demand overlaps with kinship relations because they are primarily defined by mutual obligations and general reciprocity, which Jenny White described as ‘mutual indebtedness mean[ing] social relations are kept open-ended: that is without expectation of closure by a counter gift’ (2000: 132). Fatih, in this regard, is the perfect example of a ‘good employee’; he does what is expected of him in an open-ended manner and has been ambitious to develop his abilities further to be useful to the company. In return, he has been rewarded with economic privileges and offered a share of his uncle’s and Bülent Bey’s authority. However, we cannot talk about the long-term morality of kinship in the case of Fatih because no imbalances in reciprocity are tolerated, so remunerations cannot be delayed. It is rather the mutuality of business and kinship goals that are manifested reciprocally and in a processual manner. Fatih has willingly merged his identity with the interests of Çor-Mak; his financial and emotional indebtedness are interwoven. Cemal Bey has been a mentor, a ‘father’ and a ‘brother’ to him over the nineteen years of their relationship, which is more than half of his lifetime. Conversely, Cemal Bey invested in his ‘nephew’ as both an employee and his probable heir, and he needs Fatih’s dedication and skills to run his company, as he has no other successor but Fatih.¹²

As for Enes and Osman, long-term kinship morality is what keeps them working at Çor-Mak despite their failures and inefficiencies. It is indeed not the content of the reciprocity but the moral motive, as Bloch (1973) argued, and the obligation created by the endurance of the relationship itself, as Carrier (2018) suggests, that kinship/morality manifests. Enes keeps his relationship to Cemal Bey open-ended by keeping his own money in the latter's account, and he submits himself to the company and the family, as if he is not expecting a counter gift. Although he seems to be totally submissive, he struggles to obey and follow the rules. Still, for him being scolded and sworn at by his uncle is more acceptable than being ill-treated by a stranger, as shown by his decision to come back to Çorum. At least in this company he can hope to reach a higher living standard like Fatih and be given a share of Cemal Bey's authority one day, the counter-gift he is expecting. A higher living standard in which one has a position of authority, as he experienced in İzmir, is less likely to work out if he struggles with the moral codes of the kin ties he grew up with. After all, in larger cities there are plenty of other young men with similar or better qualifications. Although his story is shaped by episodes of oppressive treatment, he maintains a desire to convert his situation into some autonomy for his own household, as revealed by his sense of logic in keeping his savings in his uncle's bank account. Enes' case also shows that the long-term morality of kinship can also be discarded if there are high financial costs or disrespect, as Cemal Bey dismissed Enes once before. In both Enes' and Fatih's cases, the merger of family and company interests in individual behaviour is evidence of the paternalistic social organization of this workplace, which allows a kind of arbitrariness in decision making, such as the decision whether to work at the weekend or not. It suggests that some features of flexible regimes of capitalist accumulation are enabled by familial collectivism (Greenhalgh 1994).

Osman's situation is somewhat different from Enes and Fatih. First of all, he did not start working at Çor-Mak in his adolescence. However, he took refuge in Çor-Mak after self-employment failed due to difficulties in adapting to market changes. His high bank debts are related to his ideas of a 'good life' based on ownership, which is a very common trend among Turkish people. All of this led him to work in a 'family' business, which is familiar, yet still hard to adapt to. His problems in adapting stem first from the fact that his skills and previous work experience were secondary to the family relationship in his employers' decision to hire him. Cemal Bey and Fatih thought that Osman would 'manage' the work, whether on technical computer programs or in sales, as long as he remained trustworthy and loyal, values that are taken for granted within the family. Not only in this specific case but in other cases too, I often heard employers complain about

the lack of skilled, experienced and professional workers because they did not want to live in Çorum,¹³ even if employers offered them higher salaries. Therefore, in a context in which employers cannot recruit from a pool of skilled and experienced workers, recruiting a family member such as Osman, with a university degree and some experience, rather than someone with the same or lower skills, is preferable. In either case, the new employee will have to be trained for the specific job he has to do, but by hiring a family member the employer can expect full loyalty and dedication to the job more often than from a non-family member. Recruiting Osman was a traditional solution to a modern problem for his uncle and employer just as much as it was for Osman. As a result, both parties have fulfilled their mutual obligations as defined by the social structure and value system, and they seem to have solved their individual problems caused by the market conditions.

Another aspect of Osman's adaptation is that the ideas of meritocracy and certain freedoms to follow one's own mind are in conflict with the logics of how this company is run and the social structure in which the whole setting is embedded. Even in simple tasks employees are told to do things in certain ways by Fatih. This can be overwhelming for someone like Osman (as for any worker, but more so for related workers), who left Çorum for university studies, then came back to run his own business that eventually failed. Osman and Enes can avoid the risks of the outside world that they find uncomfortable and unpredictable and deal with the uncertainties of late capitalism by not being an '*el adami*' (stranger) to a rich uncle. By co-owning the company, Cemal Bey can act in the best interests of his family and his business. But Osman and Enes (like any other employee) can only do so at the cost of compromising their self-esteem and individuality in struggling to adapt to rules they did not create, fulfilling roles they might not be fit for and waiting patiently while working hard for the day their salaries improve and they gain some authority for themselves and some autonomy for their households.

Coming back to the reservation previously raised by scholars, that giving lower wages and hiring relatives automatically generates greater surplus value, these cases clearly illustrate that relatives sometimes actually cost more to the company, although at other times they may generate a greater surplus value by working harder, longer and in a more dedicated and loyal manner, hoping to acquire more authority and more autonomy one day. The related employees mentioned here all operated with slightly different moral frameworks. Their hopes, which fuel their hard work and dedication, are not solely motivated by the 'moral' nature of kinship or of the economic relationship that is specific to these cases. They are also a response to the volatility of the labour market, which makes it nearly impossible to fulfil

these hopes outside the ‘familiar’ setting. It is not that they did not try – it is because they tried and failed.

Conclusion

Why did Fatih become that angry when a co-villager-cum-‘nephew’ appeared at the factory gate to ask for a job? I hope the answer is by now clear that it is because the ‘fictive’ status of ‘nephew’ – a traditional kinship category a man can claim that is closest to being a brother or a son – has for Fatih been a negotiated status that has taken two decades of dedication, self-improvement and hard work. Fatih has not become ‘the manager’ just because he is a second cousin to Cemal Bey as co-owner. The case discussed here shows that, for distant relatives and co-villagers as well as family members, imbalances in reciprocity can end in discarding the relationship depending on how threatening the imbalance becomes to the interests of the company’s owners. A degree of relatedness can be a reason to hire someone at the initial stages of a firm, but merit and skills are needed for the long-term moral aspect to emerge in relationships that are less close. Even when long-term morality or the moral aspect of an economic relationship is present in kinship, as in the case of Fatih, the content of the reciprocity matters, a point that Bloch (1973) and Carrier (2018) miss in their arguments. It is rather the process of negotiation in the moral frameworks of related people and the mutuality of the goals and roles with which people identify that make the relationship work to the benefit of both business and kinship goals. This means that ‘morality’ in relatedness is not necessarily a natural component but rather a possibility to be negotiated at work (De Neve 2005). Yet, imbalances in reciprocity are still more tolerable for those family members who are not as efficient in their utility for the company, making these enduring bonds more ‘moral’. This does not mean that they are not dispensable or that the imbalance will be tolerated forever. Rather, it means that given the shortage of skilled workers in Çorum and the volatility of the labour market in the larger cities, both employers and workers are obliged to make the best of the circumstances they find themselves in.

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Notes

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1. A pseudonym for the factory generated by the author.
2. *Bey* is an equivalent of 'Mr' in Turkish.
3. They are not all the actual nephews, sons of Cemal bey's brothers, but they used the word *yeğen* (nephew) to refer to themselves, claiming a closer degree of relatedness to their employer.
4. Industrial zones were established in many provinces in the early 1980s in the framework of a state programme. The workplaces in the zones are provided with land and infrastructure, as well as tax reductions and discounts.
5. When Çorum people use the term *akraba*, they refer either to all related people through blood or marriage in general or to those who are *yakın akraba* (close relatives), which includes the relatives of the spouses. Others, such as the relatives of grandparents, would be described as *uzaktan akraba* or *hısım* (distant relatives), a distinction made by Delaney (1991: 154) in her study of Turkish village society.
6. Those who have not dropped out of school are more likely to skip apprenticeships and work as operators in factories or find white-collar jobs in the service sector.
7. The verb is used in the passive. The child or teenager is not the active agent of the choice, as the patriarchs in the family make the decision. They see industry, like school or the military, as somewhere where boys are disciplined, prepared for life, acquire merit and then become men.
8. At the time of the research in 2016, 1 Euro valued 3.2 New Turkish Lira (TRY).
9. A second house for leisure purposes that many provincial middle-class people own. It is usually located on the way to villages in the woods and has a garden.
10. Saturday is holiday for the manual workers on the shop floor and all the other staff except for these four and Cemal and Bülent Bey.
11. Where the steel sheets are moulded based on precise measurements required by the specific order. This is a one-off procedure: if done wrongly the raw material is wasted, which could mean a serious financial loss.
12. Cemal Bey has three daughters, but they are not interested in the company. One of them has studied at a university and pursues a career in a metropolitan city.
13. According to the Turkish Statistical Agency, Çorum's rate of net migration was -12% in 2015.

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6



Post-Soviet Garment Manufacturing in the Era of Global Competition

Between Precarity, Creative Work and Developmental Hopes

DARIA TERESHINA

The Galaktika shopping centre was opened in the 2010s, quickly becoming the most remarkable yet controversial symbol of late capitalist modernity in Smolensk. Many city dwellers felt excited to find this huge, glittering, Western-style shopping centre in their provincial city. It accommodated shops selling popular Western brands of clothing, a supermarket, several cinema halls, amusements for children and a dozen restaurants. Middle-class urbanites felt relieved that they no longer had to commute to Moscow at weekends to shop. The new shopping area proved to be the most vibrant centre of leisure activity in the city, attracting crowds of visitors every day of the week. The open-air *Kolkhoz* market, located just a five-minute walk from Galaktika, has shrunk since the 1990s, but it has remained popular with the poorer segments of the local population and rural residents. The sharp contrast between the two shopping places – the dirty and insecure open-air market and the shiny surfaces of the shopping mall – convey an idea of the progress and modern development that the city has undergone in recent decades.

Yet the shopping centre proved controversial because it had been constructed within the walls of a former linen factory that had closed in the mid-2000s. In Soviet days, linen cultivation and textile manufacturing were among the major industries in the region. When, in the mid-2000s, the linen factory went bankrupt, the local press accused the top management of deliberately bankrupting the state-owned enterprise and draining away its capital into their own pockets.¹ The factory symbolized the heyday of Soviet industrialization, and its conversion into a shopping centre was met with indignation by many of those city dwellers who were in no rush to

erase memories of socialism and promises of modernity that were firmly associated with the Soviet project. In this sense, the linen factory epitomized a 'socialist gift of modernity', with its guarantee of employment, public healthcare and education for everyone (Ssorin-Chaikov 2013: 183). The dramatic story of the factory's bankruptcy and its subsequent rebuilding as a shopping centre reaffirmed the popular vision of post-socialism as a 'form of robbery of the public' and of forcibly 'taking away the gift of socialism' (ibid.: 179).

The rapid deindustrialization and demise of infrastructure that followed the collapse of state socialism in the 1990s has been amply studied (Bridger and Pine 1998; Humphrey 2002). Michael Burawoy (2001) famously called the resulting condition 'involutionary degradation' or 'transition without transformation', accentuating its non-modern and 'backward' tendencies. Over the 2000s, the state attempted to increase its presence in industry and to reclaim its active role in modernity and infrastructural development by introducing a range of policies aimed at protecting Russia's industrial base. Import substitution was proclaimed as a new priority in the wake of the Crimean crisis in 2014 and the ensuing Western sanctions against Russia (Rutland 2016; Matveev 2019). Yet many political analysts call into question the long-term prospects of these new policy measures, given that they were influenced by apparent political concerns. Meanwhile, during my stay in Smolensk in 2015–16, talk about the 'revival' of linen cultivation repeatedly popped up in the media. It was reported that some big investors had already indicated their interest in linen manufacture in the region, yet the outcome was unclear.

This chapter focuses on garment production and looks at the ways in which one local petty producer in this Russian province has experienced the contradictory shifts and transformations outlined above. Under marketization, regional garment-manufacturing has undergone profound restructurings, but it has not been swept away in the same manner as linen production. All three of the city's garment-manufacturing giants of the Soviet era have managed to stay afloat in the market economy, but they have gone through significant downsizing and have had several changes of ownership. In the wake of post-Soviet market deregulation, a plethora of medium-sized and small-scale factories specializing in garment production have emerged. Being exposed to the pressures of global competition, a changing economic environment and a severe lack of capital, most regional petty producers have not proved particularly viable on the local market and have turned to subcontracting for transnational or national companies.

Drawing on the ethnography of Alpha, a small garment manufacturer, I aim to understand what motivates local petty producers to stay in the industry and respond to both local and global competitive pressures. In what

follows, I show how the owner of this failing garment enterprise evokes the ideals of Soviet modernity, with its promises of endless transformation and progress, as a way to respond to the stiff conditions of global competition that threaten to swallow petty local producers and turn them into subcontractors for bigger companies. Yet this pronounced commitment to socialist mores and norms is not necessarily antithetical to market values. Rather, I argue that memories of socialism are constantly being (re)-negotiated in relation to the principles of market value. While in some situations these memories and principles form a strong contrast and oppose each other (as with the ethics of disinterestedness that denies monetary value), in others they merge and mutually reinforce each other (as in the idea of creative work being translated into a flexible skill for wage-workers).

Given these ongoing interactions between different regimes of value in space and time, I conceptualize such exchanges as a type of relational 'politics of value' (Appadurai 1986). This cannot be reduced to any particular type of moral economy due to the dynamic and fluid character of moral claims made by actors, who easily cross the boundaries between different, contradictory logics of value. By looking at the history of Alpha, its organization of production and work life, I trace such ongoing negotiations of value within the specific contexts in which the actors – mainly the factory bosses; in this case, the owner and her daughter – make their moral claims and create value(s). The chapter shows how the creation of value routinely occurs at the intersections of power, labour and meanings of personhood. The notion of creativity plays a key role in these processes, as it provides a common framework for factory owners to negotiate different understandings of work and labour both within and outside the context of industrial production. Hence, my take on moral economy in this chapter leads me to focus on the dynamics of the historical and contemporary registers of moral values that shape relations of work and production. By means of individual biographies of business owners and my ethnography of the firm as a workplace, I show how moral values may be invoked and transformed in the economic transition of a Russian city.

Soviet Developmental Hopes and Market Promises

Lidia Alekseevna (59), a founder of Alpha,² is not a native of Smolensk. Born and raised in eastern Siberia, she ended up on the western edge of Russia due to labour migration in Soviet times. In an impressive series of relocations throughout the Soviet Union in the late 1970s, Lidia mainly followed her husband, who finally ended up in Smolensk. As an aircraft engineer, he was appointed to the position of constructor at the local aircraft

factory. Lidia, also an aircraft engineer, got a job with the same enterprise but in a different department. She describes her work in the industry as extremely boring and frustrating, since it lacked creativity, a concept she places at the heart of her narrative of work and self-fashioning. She says she could never stand 'routine duties' but always admired 'inventiveness' (*izobretatel'nost*) and 'innovations' (*novshestva*). Her engineering duties had nothing to do with the creation of new models but boiled down to tediously reworking drawings and fixing mistakes made by the other aircraft specialists. Since Lidia came to perceive her job as meaningless and repetitive, she quit.

After leaving the aircraft industry, Lidia was allocated to the local Palace of Culture and Technology, which was part of the social and cultural infrastructure of the city's garment factory. Due to her education and technical expertise, this former aircraft specialist was put in charge of propaganda, with responsibility for promoting technical knowledge among factory workers and improving or 'rationalizing' work processes.

Lidia entered the period of major restructuring of the Soviet economy in the mid-1980s as a deputy director of the garment factory. When the first laws permitting the setting up of commercial enterprises (cooperatives) were passed in 1987–88, together with a partner she decided to start a new firm on the factory's premises, taking over one of its sewing shops. In her account of the formative years of this new commercial enterprise, Lidia showcased her passion for innovation and creativity, despite having to cope with the rigidity and bureaucracy of the Soviet planned economy. First of all, the new cooperative started producing children's clothing out of the factory's waste, which was cost-free to the firm. At that time, the garment factory was littered with by-products, including large amounts of defective fabric, but after a while the cooperative exhausted this free source. Lidia was also able to purchase fabric for her cooperative at low, state-regulated prices, thanks to her insider connections with factory management, but the shortage in materials was still high in the late 1980s.

Permanent shortages pushed Lidia to be more 'creative' in designing new clothing. For example, cotton was hard to obtain even with access to *blat*³ connections, while the locally produced linen was still the most affordable type of fabric in the region. But unlike synthetic fabrics, linen garments easily creased and required more careful treatment in general. Lidia responded to this predicament by creating linen apparel that featured creases as a major element of their design. Similarly, she produced colourful garments if she could not obtain enough fabric of the same colour or tone. Lidia turned this practice of 'making do' into a key business strategy, which she called 'turning negatives into positives.' Rather than seeing external constraints as an obstacle, she preferred to stress their enabling

qualities, saying that this motivated her to look for creative solutions and introduce innovations.

For several years, the cooperative had been on a roll due to the expansion of its manufacturing capacity and its take-over of more sewing shops in the state-owned factory. Its output tapped into the huge demand for consumer goods in the former Soviet Union. However, growing disagreements and mutual suspicions between Lidia and her partner caused their separation in the early 1990s, leading to a severe property war between them, which was settled in court on terms advantageous to Lidia. With the capital she received as her share in the cooperative, Lidia purchased a huge amount of fabric, once again relying on her privileged access to low, state-regulated prices. In 1992, after the major disagreements had been settled, Lidia started her own limited liability company, which she called Alpha.

It is well documented in scholarship on the transition in Russia that members of the party-state apparatus, the so-called *nomenklatura*, greatly benefited from initial attempts at economic reform that had started in the mid-1980s (Kryshatanovskaya and White 1996). The state elites were then allowed to engage in activities that were closed to others, such as obtaining soft loans, converting state assets into cash or engaging in property dealings. Lidia certainly belonged to this cohort of early Russian capitalists who profited from converting their privileges into private ownership. While her account is silent about the many ins and outs of her ‘adventurous’ experiences of early capital accumulation, it still hints at her privileged access to privatized state-owned property, probably purchased for just a nominal price, as was usually the case in that ‘golden age’ of Russian capitalism (*ibid.*: 719). Moreover, Lidia had secure access to advantageous prices fixed by the state that enabled her to amass a large inventory of fabrics and accessories. Last but not least, the new enterprise profited from its reliance on networks and connections that Lidia treated as a social asset inherited from the past.

However, this trajectory ‘from power to property’ does not seem to have shattered Lidia’s commitment to the moral ideals of the Soviet era. By evoking Soviet values, Lidia asserts her commitment to the goals of the Soviet modernization project and conceives her involvement in private business as being driven by the same hopes and aspirations of development (to build a ‘better future’) that underpinned the Soviet state-building project:

We were building communism. Everyone was building communism. Everyone believed in it, everyone believed in the better future. Where are we now? (laughs) I personally do everything for the better future to come, really (laughs).

Lidia says that even after switching to the private sector she remained a ‘state’ person and was reluctant to turn herself into a ‘private’ one. Under

capitalism, her 'state'-oriented commitments continued to dictate her hierarchy of social responsibilities, in which she gave high priority to the broader goals of state development, while social reproduction and household duties played an inferior role. Lidia's two children rarely saw her at home, and their encounters mainly took place on the factory premises (her daughter, now a manager at Alpha, calls herself 'a factory kid'). Lidia defends this set of priorities by mobilizing the communitarian ideals of Soviet modernity: 'You are alive as long as your society needs you.'

The body of literature on post-Soviet transformations reveals the remarkable revival of the party-state bureaucracy and propaganda workers in the post-reform years and their prominence in remaking Soviet forms in the new Russia (Luehrmann 2011; Rogers 2015). Just like the Soviet activists studied by Sonja Luehrmann, Lidia was inserted into Soviet educational networks that held out 'the promise of limitless transformations' (2011: 217). In her case, however, the focus on creativity and innovation speaks to the ongoing interactions of the transformative and developmental promises of Soviet secular science and education with the market's promises of endless growth and affluence. However, once it had become clear that the post-Soviet state was not going to keep its promises to modernize and provide security, Lidia mobilized her commitment to modernity as a way of constructing an imaginative distance from the market and its corrupted logic of value, which she dismissively called a 'bazaar'. In the next section, I show how the moral ideals of the socialist past fuelled the workings of this small enterprise by providing a symbolic resource that helped its owner to cope with the adversities of economic 'involution' in the 1990s and the subsequent spread of global commodity chains into the Russian hinterland in the 2010s.

Not Market but Bazaar

When it was set up in 1992, Alpha faced taking off under the rather severe circumstances of abrupt economic liberalization, known as 'shock therapy'. Amidst galloping inflation, surplus value had rapidly vanished by the end of the production cycle, as the value of the final product was even lower than the costs of the raw materials involved in its production. What helped the firm mitigate the adverse consequences of hyperinflation was the large reserve of low-price fabrics that Lidia had hoarded. In the 1990s, economic players in Russia typically responded to inflation by engaging in barter transactions and offsetting trade, which led to the demonetization of the whole economy (Woodruff 1999). Alpha also took that path by exchanging its output for textiles at the same garment factory that had employed Lidia

in Soviet times, whose contacts and connections were crucial for the survival of the fledging firm.

Once the dust had settled by the mid-1990s, the firm was in a relatively stable market position. This was achieved primarily due to its contracts with national representatives of Western pharmaceutical companies, who ordered lab coats from Alpha. However, after its heyday in the early 2000s, the firm sank into crisis in 2008. Although this trajectory shadowed the global economic downturn, Alpha's slowdown was triggered by local conditions, especially changes to the national regulations for medical services. As the state attempted to do away with pharmaceutical companies that actively promoted their products among doctors and forced them to prescribe particular drugs, it outlawed any form of gift-giving between the two parties. For Alpha, this ban put an end to its lucrative collaboration with the Western drugs firms, as it had given lab coats to doctors in order to stimulate their loyalty to the brand. After losing two big clients, Alpha came close to shutting down. The only solution that allowed it to stay afloat was to switch to subcontracting and to assemble clothes for transnational firms looking for cheap labour in provincial cities. The switch from own production to subcontracting was intended to be an emergency measure while the firm waited out the crisis, but as time passed it became clearer that subcontracting was the only viable option if this small apparel firm was to survive the growing global competition and the new economic crunch.

There were, however, some attempts to end subcontracting and dependence on bigger firms. Just before the economic crisis exploded at the end of 2015, Lidia set up a knitting workshop and hired four additional workers specializing in knitting operations. With this new unit, which she called an 'experimental shop', she planned to start producing school uniforms. However, when in 2015 the rouble lost almost half its value against the dollar and the cost of imported materials increased dramatically, it was decided to suspend the project. At the same time, Lidia set up a retail shop selling the lab coats and other uniforms that the firm occasionally produced for its local clients. Producing uniforms seemed to be the only viable option for the firm, given that the local market had been flooded with cheap clothing imported from China. For Lidia, shopping was always a painful activity, as she was constantly reminded of global competition. One day she spotted a nicely decorated nightdress made in China on sale for only two hundred roubles, equivalent to three euros. Shocked at how low the price was, she immediately calculated that to produce the same item at her firm would cost her a minimum of six hundred roubles or approximately eight euros.

Global competition was aggravated by the decline in the rouble's value in 2015, and since then the prices of imported textiles have increased significantly while the purchasing power of local customers has declined. To

make uniforms, Alpha used fabrics imported from Turkey and Malaysia. Accordingly, fluctuations in national currencies immediately affected local garment producers. Attempts to engage with public procurement by submitting a bid proved pointless for a small firm that could not compete with big producers offering the lowest prices and thus winning the contracts.

In the wake of the 2015 crisis, there was a lot of uncertainty about the company's future. Lidia oscillated between showing discontent with the market and flagellating herself for being too 'lazy' to come up with a solution to escape her dependence on subcontracting. While she did not give up hope of overcoming the global competition by means of her creativity and knowledge, her criticism of the market prevailed. I will illustrate this moral critique, which revealed disenchantment with the market and its value regime. According to Lidia, the market in Russia has never functioned the way it was designed to do by the architects of the market transition. Instead, Russia has adopted the worst version of the market, one that Lidia dismissively called a 'bazaar', thus communicating the sense of disarray and 'backwardness' that distinguished the Russian economy from the Western economy – that is, from modern and civilized forms of market exchange.

With regard to the garment sector, the bazaar stands for poor quality goods and bad taste, but it is easily scaled up and coagulated into a regime of value, in which considerations of taste, culture and morality no longer play a significant role. The predicaments Alpha faced illustrate how the logic of the bazaar economy inevitably clashed with Alpha's owner's hierarchy of values and imparted disarray. The high quality of Alpha's wares, supposedly its main competitive advantage, paradoxically turned it into a source of weakness that hindered the company's growth, since there was no need for its customers to purchase new garments as often as they would have to purchase poor quality imported goods. As Lidia's daughter, a manager at Alpha, proudly reported, the average life cycle of their lab coats was about ten years. In light of the high turnover in fashion trends and the mediocre quality of Chinese merchandise, Alpha just could not comply with the imperatives of fast fashion and the flexible mass production of low-cost commodities: 'We make clothing of such high quality that people do not need to exchange it a hundred times. This is our main weakness.'

For her part, Lidia represented her way of doing business as a form of resistance to the corrupted logic of global capitalism that she described as a bazaar economy. She could purchase cheaper fabrics from Chinese suppliers and thus reduce the costs of her final product, but she would rather not do so because she 'respected' her clients. She recalled one of her wealthy Moscow customers, who had placed a lucrative order that Lidia rejected, since she considered his design to be in poor taste and decided not to risk

her reputation by manufacturing such ‘crap’. When diplomatic relations between Russia and Turkey turned sour in 2014, some customers started blaming Lidia for using Turkish fabrics in her production, which they equated with a lack of patriotism. To her, all this proved just one thing – that the vast majority of consumers ‘had been raised the wrong way’, since they could not see the ‘deeper essences’ of things. As a result, many people were easily seduced by appearances, whether brand names, fashion styles or superficial displays of patriotism.

This sort of criticism clearly echoes Soviet norms of consumption, with their imperatives of good taste and being cultured (Chernyshova 2013), but in a broader sense it evokes the ‘language of depth’ (Rogers 2015), as manifested, for instance, in the discourse of the Russian soul (Pesmen 2000). Many analyses of post-socialism demonstrate that the search for the deeper essence of things and the denunciation of material concerns as shallow and superficial have been precipitated by the market reforms. These have helped many Russians make sense of the growing deprivation, collapsed economic stability and loss of income that have occurred in the wake of economic liberalization (Lemon 1998; Ries 2002; Patico 2008).

In the case of Alpha, the language of depth served to convey Lidia’s immediate concerns about growing global competition, which threatened to drive local producers out of the market. We may expect such moral criticism to raise the question of the state’s responsibility to protect small entrepreneurs from the encroachments of global capital. Yet the role of the state was insignificant and mainly missing from my conversations with Lidia and her daughter. For both of them, the state and its ruling cliques were represented as being so busy with the scramble for resources and asset-stripping that it would have been naïve to expect them to serve public interests. Feeling that she had been abandoned by the state, Lidia regarded her resistance to the abstract forces of global capitalism as a matter of individual responsibility and as an inextricable moral choice. Moreover, she saw her involvement in the garment industry as a form of self-sacrifice inasmuch as small-scale manufacturing did not guarantee secure profits and seemed to have no future.

As in many other global contexts of capitalist expansion, the workforce paid the greater price when Alpha switched to subcontracting and entered transnational chains of commodity production. Since the transition, a dozen machine operators have started to assemble clothes that proudly state ‘Designed in Paris’ on their labels, and the cost of their operations fell significantly given that subcontracting services were poorly paid. Lidia told herself and her workers that this was just a temporary arrangement and that she hoped to make the business thrive again. In the next section, I show how the retreat to the sphere of art and craftwork as a space free from

market constraints and uncertainties was a response to stiffening global conditions and enabled Lidia and her daughter to enjoy a level of job satisfaction that flew in the face of the precarious present and uncertain future.

The Space of Creative Work: Market Value Suspended

One winter day the three of us – Lidia, her daughter Alina (29) and I – got together in the tiny office with the ‘Director’ sign on the door. The factory occupied the ground floor in a block of flats located in a residential area that had been built in Soviet times to accommodate the workforce from the adjacent industrial enterprises. It was rather chilly inside, since the central heating barely functioned. Lidia offered us all a shot of cognac to warm ourselves up a bit and dispel any sad feelings provoked by the ongoing conversation. At that point, Alina and Lidia shared their anxieties with me about current developments in politics and economic life in Russia, which they both saw in terms of involution and degradation. But while Alina was very active in expressing her moral criticisms of the lack of modernizing efforts in the country, her mother kept remarkably silent, although occasionally she nodded and grinned. Then Lidia intervened and explained her moral position on this matter. She said that ignoring ‘bad things’ was her ultimate rule in life. She had developed the ability to make things she did not like invisible and could thus afford to save her time and energy and reinvest them in doing things she liked:

I do not notice bad things just because I do not want to notice them . . . , because if I notice them, I won’t feel like doing something good, something beautiful. So, I prefer not to notice. I see things through rose-tinted spectacles (laughs). I put them on and go ahead. I turn on music really loud [in the car] and give it some gas. Otherwise, it is so difficult to live in our country (laughs).

I see striking similarities between Lidia’s position and that described by Yurchak (2006) with regard to the style of living in late socialism, which he calls ‘being *vnye*’ or outside. According to Yurchak, living *vnye* is better described as ‘being simultaneously inside and outside of some context – such as being within a context while remaining oblivious of it, imagining yourself elsewhere, or being inside your own mind. It may also mean being simultaneously a part of the system and yet not following certain of its parameters’ (ibid.: 128). Yurchak argues that the principle of ‘being *vnye*’ should not be equated with ‘a form of opposition to the system’, since it represents ‘a central and widespread principle of living in that system’ (ibid.). While some virtuosi mastered living a life of oblivion to an extreme extent, the majority of Soviet people, including Party and Komsomol leaders, os-

cillated between being uninterested in the Soviet system and drawing on the possibilities it offered. In this way, 'being *vnye*' did not contradict being a good Soviet citizen.

In Lidia's case, this familiar way of 'suspending' a context while still participating in it has survived and retained its relevance since the normative discourse of the Soviet era lost its authority. In the period of the market, she has successfully recycled 'being *vnye*' as a crucial skill with which to manage the insecurities of the market economy. That is not to say that she completely avoids being critical and expressing her discontent but that she has the capacity to dissociate herself from such constraints and to find satisfaction in realms she has carved out for herself as spaces of freedom and authenticity. Her business strategy ('turn negatives into positives') stems from the same principle of not noticing 'bad things'. I also suggest that the Western idea of 'positive thinking' that is successfully winning over the hearts of so many Russians has local cultural equivalents that are rooted in the Soviet practice of constructing imaginative distances from 'bad things' – that is, externally imposed and inevitable things. This is akin to the Weberian life-order that seems to last 'forever', just as the collapse of socialism seemed unimaginable to its citizens. In the post-Soviet epoch, the 'iron cage' of the market came to represent a new set of constraints that everyone had to deal with. Whereas post-Soviet actors admittedly developed different responses to market pressures, here I will elucidate one specific reaction that refers to the peculiar Soviet practice of being simultaneously inside and outside any particular context.

As shown above, running a small factory in a period of global competition and lacking state protection was never an easy task for Lidia. In times of crisis, there was always the prospect of having to close down, but Lidia persistently shrugged it off by looking for ways and resources to stay afloat. In severe cases – when, for example, her Moscow clients delayed payments for several months and her machine operators were ready to go on strike – Lidia fell back on her family budget. She asked her husband to lend her money from the savings he had made from his wages at the aircraft plant (military-related industry has been on the rise since the 2000s). In such situations, the garment firm turned into a liability for the family budget rather than being an asset. I outlined above the role of moral values in motivating Lidia to run the firm and resist deindustrialization. In this section, I want to draw attention to yet another side of this situation that feeds Lidia's motivation to stay in the game, namely the factory as a place of creative work.

Earlier, I pointed out the central role of creativity as a constitutive element of Lidia's work biography. Framed in the typical vocabulary of the Soviet technical intelligentsia as a love of innovation and invention, this aspect links the different stages of her career and instills a sense of conti-

nity in the flipping of her work trajectory between labour and capital. In what follows, I will show how the ideology of creative work has affected the organization of factory work.

Given that the factory acts as a subcontractor for others and does not manufacture its own garments, the passion for creative work has been channelled in another direction. While industrial garment production was relegated to 'routine duties' and ultimately did not provide any work satisfaction, the field of creativity had its own spatiality: within the factory it was confined to the workings of the 'experimental' workshop but spilled over the factory walls in the form of active participation in fashion and trade shows. The experimental unit was set up just before the rouble crashed in 2015 with the aim of producing knitted school uniforms. After the uniforms project had been put off until a better day, the unit continued to operate. The knitting team was mainly involved in making evening dresses for individual customers, usually well-off friends of the owner, craftwork (making accessories, home decorations and souvenirs) and producing complicated, hand-stitched apparel for fashion shows. The shows absorbed a lot of attention and work on the part of the owner and her daughter. As a rule, several months before a show started, the two women, accompanied by a designer from the 'experimental' team, immersed themselves in the preparations, discussing the items they would be presenting, creating new collections, selecting the music, contacting modelling agencies, etc. By participating in trade shows, which usually take place in the larger Russian cities, the company was attempting to sell its output, which was designed specifically for this sort of event.

However, while the preparations for the trade shows brought Lidia and her daughter a great deal of satisfaction, they did not themselves produce earnings. Their extravagantly costly dresses were rarely sold at fashion shows and trade fairs. Of the variety of such events, Lidia could recall only one held in St Petersburg where they had successfully sold a wedding dress to a Swedish customer for 350 euros. Upon returning from a trade show in Kazan in 2016, Alina admitted that they had brought back almost the whole batch of products they had offered for sale. The market has fallen, and people do not have money: that was the usual explanation for sluggish sales. It also transpired that the 'experimental' unit, which served occasional individual customers but mainly assisted in preparing for new fashion shows, was incurring losses covered by the income earned by the industrial workshop.

Lidia explained why she was so eager to invest so much time, energy and money in fashion shows, despite the low prospect of a monetary return: 'The thing is that all this routine work . . . I do not like it . . . this [industrial] workshop . . . it is routine. And sometimes I want, so to say, to distract

myself? I argue that such occasional retreats from industrial production into the realm of creative work enabled Lidia and her daughter to carve out spaces where they could realize their creative selves and acquire a sense of agency in their work against a backdrop that placed substantial limits on it. This realm of creativity ultimately existed outside market rationality and its regime of value. Or, to be more precise, through their creative work, both mother and daughter strove to suspend market imperatives by rendering them invisible for a while. Creative work did not generate a profit as such, and from the market perspective it was considered a liability, but precisely as a result it allowed them to enjoy an alternative regime of value in which considerations of taste and job satisfaction came to the fore. The extent to which the realm of creative work turned out to be detached from any market value was made evident by the sarcastic remarks that one technical designer continually made about the 'experimental' unit's output. Based on her experience of working in big garment factories, she saw the extravagant dresses that Alina produced as being hopelessly outdated, stuck in the fashions of the 1990s and merely unprofessional ('*domoroshchennyi* design', as she put it dismissively). On several occasions, she advised Alina to check out the nearest shopping mall and alter the design of what she was producing to suit what was currently in demand on the market. Alina just made fun of such comments and shrugged them off. After all, she could afford the luxury of not paying attention to crazy changes in fashion design and could rely exclusively on her own aesthetic values and considerations of taste.

However, in being detached from market value spatially, temporally and aesthetically, creative work was simultaneously deeply interwoven into the realm of the market. The market was an ever-present reality in the conversation of Lidia and her daughter, but its criteria were constantly changing, oscillating between the oblivion of market value and its mobilization. When asked about their involvement in fashion and trade shows, both mother and daughter pointed to their material interest and considerations of profit, as they expected their output to be sold entirely during such events. But even though the trade shows provided a place for market exchange, both women were perfectly aware of their low chances of generating a profit. The costs were high: not only did they have to pay travel expenses, they also had to rent a pitch in the market, which was quite expensive for a small business. For Alpha's owners, the opportunity to present their local brand at trade fairs and fashion shows to a wider audience of visitors, who were not necessarily prospective customers, proved to be no less important than the phantom possibilities of market exchange. Given this tension between the high symbolic value of the shows and their low returns, the profit-seeking motive could be seen as a legitimizing exercise that justified material investments in trade shows and fairs that would have otherwise been

seen as wasteful and extravagant in the face of increasing local and global economic constraints.

Yet, despite these little tricks, which allowed the firm's managers to unleash their creative selves and distance themselves from the pervasive patterns of the bazaar economy, in the end it was local and global market forces that dictated the realm of possibilities and put a limit on this fragile space of creativity. Since the possibilities for creative work were predicated upon surplus value generated by industrial production, such work was inevitably paid for out of the labour of the firm's industrial workers. For them, creativity meant something different, being reformulated by the firm's management in terms of flexible skill. Moreover, in a peculiar way, the kind of distraction from 'routine duties' that Lidia and her daughter sought in craft-like work reinforced flexible forms of exploitation.

Creativity for Workers: Flexible Skills and Arbitrary Control

Much like her mother, Alina admired creative work, but her take on creativity had additional layers that led her to understand it in the context of managerial control. For her, creative attitudes to a job implied the flexibilization of skills and the ability to perform multiple tasks. Alina saw herself as a perfect example of the embodiment of this principle: from a young age, she had performed a variety of tasks in the family business, working as a night watchman, a packer, a bookkeeper, a cutter and a manager. In her official capacity as deputy director, she coordinated the overall work processes at the factory, but in case of need she could replace any skilled worker. She did not reflect upon her intermediate position between capital and labour, an ambiguity that provided her with moral arguments to demand the same flexibility from the workers. For Alina herself, this flexibility made some of her work beneficial, since she could switch back and forth between different tasks and avoid tedium: as soon as she got bored with the task in hand, she just dropped it and turned to something else, like chatting with other workers or making phone calls. That sort of flexibility was an enjoyable part of her job, but hardly affordable for the rest of the workforce.

Given labour turnover and unexpected sick leave, it was crucial for a small enterprise to ensure a smooth workflow in order to meet deadlines and deliver output to clients on time. Alina claimed she could easily replace any other skilled worker. Indeed, when the firm was looking for a new cutter to work on individual tailoring orders, Alina took on this job for a couple of months while the position was vacant. Any time a new candidate showed up at the factory and Alina introduced her to a job, she stressed the creative aspect of the worker's cutting responsibilities. By evoking creativ-

ity, she aimed to spark an interest in the candidate, hoping to see ‘a gleam in her eyes’ in return. However, for Alina ‘creativity’ was also a euphemism for a variety of skills involved in the work process, as well as a flexible schedule and the need to work longer hours to meet a deadline without extra pay.

But, however hard the management tried to disguise the precarious working conditions or compensate for them with the allure of creativity, it never worked well. The employees at the factory were not really convinced of Alina’s ability to perform multiple tasks. Instead, they witnessed her lousy work discipline and began to question her authority. What Alina regarded as a manifestation of her creative self was actually evidence of her lack of self-discipline and self-control in the eyes of her employees. Lacking these qualities, her managerial power and attempts to convince others to work more intensively were constantly questioned and ignored by the workers on the shop floor.

To persuade garment workers to work more intensively in order to meet a deadline was particularly hard in the workshop. What unified the workforce against the management’s attempts to increase productivity was the arbitrary nature of the control of labour in the factory, when, in the brief period before a deadline, the management raised the production norms. The closer the deadline, the more sharply the norms were raised. If a deadline was well ahead, the norms were not even an issue. Time-thrift became the main issue when a deadline was close, with new production norms announced every day. The norm could be set at thirty items per day and then be increased to fifty items a couple of days later. Workers resented the arbitrariness of such measures and demanded that the norms be based on careful calculations of the target time needed for each operation. They therefore appealed to Taylorist principles in order to protect themselves from the arbitrariness of the flexible labour regime. The workers also argued that the management was not taking into account the time they had to spend making a piece of fabric good when it had been cut badly. The workers were supposed to solve such dilemmas on the fly, and the managers took that for granted. Alina argued that making such repairs was the only creative task in a generally dull process of industrial production. In saying this, she complained that the operators lacked a creative attitude to work and performed their sewing tasks automatically, without making any intellectual effort. As for the owner, she had a very simple understanding of why the operators could not raise their productivity levels – they were simply lazy. On any day when the production norms had not been reached, which was usually the case, an ultimate despotic measure was brought to bear: Lidia herself showed up on the shop floor and started to shout at the workers in her deep, booming voice. Swearing at them and scolding them for being lazy, she argued that their poor discipline was the only reason for

their low wages and the delays in paying them. All in all, after tightening control, productivity usually increased, and the firm managed to ship the goods out on time. But then the same fluctuating regime of labour control, similar to the notorious patterns of Soviet-time ‘shock work’, were repeated when new orders came in.

Conclusion

In this chapter, I have delved into the workings of a garment firm in order to show how small-scale entrepreneurs, acting as moral subjects, navigate the precarious landscape of the local political economy and make sense of the ongoing transformations. As I have demonstrated, the expectations of modernity and progress rooted in the Soviet modernization project continue to shape the imaginaries, desires and identities of local petty producers in today’s Russia. These ideals do not necessarily oppose or support the principles of capitalism and market value but interact with them in more dynamic and unpredictable ways. To grasp these dynamics and politics of value as they emerge in the different contexts of the firm was the main objective of this chapter. These dynamics shaped the way the moral dimension of economic action was articulated.

I opted not to see privatization solely as a process of former Soviet enterprises being grabbed by their cynical managers, as in one typical analysis of privatization in Russia. Instead, I have tried to reveal the parallels between the language of Soviet modernity and the promises of marketization. Such attitudes do not reflect the general pattern of privatization, but they do give us a more nuanced picture of processes of accumulation in Russia and the multiple moralities that different economic agents give voice to.

However, disenchantment with the forces of global capitalism and criticism of it are also present. It is the absence of the state and its modernizing efforts that shaped Lidia’s critical engagement with the market, which inevitably turns into a bazaar – that is, a regime of value lacking in culture, modernity and good taste – as long as the state retreats and allows market coordination to act on its own. Kruglova (2019) argues that the link between developmentalist modernization and the state, formed in Soviet days, has given rise to a peculiar ‘political ontology’ in post-socialism, where post-Soviet/Russian actors constantly negotiate the boundaries of the state’s responsibility and are willing to assume responsibility for maintaining social and material order in those realms where the state is absent. In this way, Lidia acts as a disciplined post-Soviet subject committed to modernity when encountering the lack of state interventions in and protection for national industry, especially in the small-scale sector, and responds

to this absence with self-responsibilization. Rather than questioning pre-suppositions about Russia's deindustrialization, she is willing to take on the role of the absent state in countering the non-modern forces of the bazaar economy. Moral values play an instrumental role in this process of stoical resistance, as they motivate Lidia in her attempts to keep her head above water, despite the firm's low level of profitability and its bleak prospects for any improvement in the future.

In practice, the desire to suspend market value and turn away from its constraints encourages a retreat to the sphere of creativity and craftwork as the only space in which authenticity and agency are possible. This is mainly achieved by focusing on the production of unique clothing items and demonstrating them to the wider public during fashion and trade shows. However, this search for creativity and job satisfaction outside the context of market value becomes possible at the expense of industrial labour, whose input is paradoxically relegated to the most 'dull' and uncreative tasks in industrial production. By performing such acts of devaluation with regard to industrial labour, it becomes easier for capital to justify strict discipline, its demands for flexibility and the introduction of arbitrary and despotic forms of control. At this point, the politics of value on the shop floor show a great deal of compliance with the logic of flexible mass production and thus facilitate rather than resist the forces of the global market. Ultimately, the case of Alpha serves as a good example of how resistance to and compliance with capitalism meet each other, being driven by similar sets of values and preoccupations rooted in the experience of socialism.

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Notes

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1. Zhizn i smert lnokombinata. 27 March 2013. Retrieved 11 May 2018 from <http://www.rabochy-put.ru/society/42440-zhizn-i-smert-lnokombinata.html>.
2. All names used are pseudonyms.
3. *Blat* describes a variety of informal practices to obtain access to resources, rewards or privileges through personal connections and networks.

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7



FIAT Automobiles Serbia

The Split Moral Economy of Public–Private Partnerships

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In June 2017, two thousand workers at Fiat Chrysler’s new car plant in the Serbian town of Kragujevac went on strike. It being summer, the trade unions complained, the temperature on the shop floor had reached 40 degrees Celsius, and the workers could easily hurt themselves. While allowing people to take sick leave, the management required the same production quotas from the remaining workforce, which had already been depleted after an entire shift had been laid off. The strikers thus demanded an easing of the output quotas and the hiring of new workers. They also insisted on a rise in salary from 38,000 dinars (311 euros) to 50,000 dinars (410 euros), that bonuses for the previous year be paid and that the commuting expenses of those working the night shifts be refunded. In the following three weeks, they regularly attended their workplaces, standing by the disconnected machinery. They marched through town demanding that the company management negotiate, triggering close media coverage throughout the region.

Many observers on the left saw this as a welcome return of proletarian politics. They noted how the strike was happening not in a ruined ‘social property’¹ enterprise on state support – a familiar figure in the post-socialist Serbian landscape – but in one of the most profitable foreign-run firms, one that was a crucial contributor to the national GDP. This meant a break with the ‘defensive’ worker protests of the past – hunger strikes and sit-ins for unpaid wages – and a recourse to more ‘offensive’ labour action, where workers jointly withhold their labour power in order to influence capital (Pulig and Musić 2017). The fact that workers seemed to be shifting from being victimized to being self-empowered, from clients to claimants,

seemed to promise a more general return of trade unionism and class action. For as the strikers declared, the salary increase would only take up half a per cent of the plant's profits at a time when the average salary was not enough to support a minimum of family expenditure. Thus, the demand for 'decently paid work' constituted an attack on the wider exploitation at the core of capital accumulation in the country, a plea commentators saw as 'simultaneously targeted against the investors as well as against the local ruling class, which does not even pretend that it mediates between workers and employers, but always readily takes the side of the latter' (Lalatović and Stojanović 2017; see also Resanović 2017).

While the strike indeed tried to create a break from earlier labour politics, it got caught up in the larger continuities of local labour's reliance on the state, which eventually meant the action collapsed. First, while the strikers were nominally targeting the management, they were mainly addressing Serbian institutions, as in a series of previous actions. This was not only because the state was a shareholder in this public–private partnership but also because the workers' pleas had fallen on FIAT's deaf ears. From the very start of the strike, FIAT's management refused to talk to the strikers, citing its transnational policy of not negotiating during work stoppages. And whereas this was against Serbia's labour laws, the state institutions tolerated this stand-off, increasingly playing the role of mediator between the two sides but actually pressuring the workers to end the strike. Voicing patriotic economic arguments that Serbia was losing money with each day of the stoppage, in an atmosphere of repeated fears that FIAT might leave the country for an even cheaper workforce elsewhere, the prime minister became the only negotiator the trade union could approach. Eventually, the three sides met, only to reach a dubious consensus: a salary increase that was smaller than requested and a signed commitment from the trade union not to start any labour actions in the next three years.

Following the works of E.P. Thompson (1971) and James Scott (1976), the concept of the moral economy has long been used to understand the moral obligation to employ that defined the relationship between state, companies and workers in the economies of yesteryear. Less is known, however, about how neoliberal states balance their old social responsibilities with their new role as mediators for transnational capital. This chapter focuses on this plurality of popular expectations around FIAT Chrysler Automobiles Serbia (hereafter FIAT Serbia²), a public–private partnership between the FIAT Chrysler Corporation and a post-Yugoslav state. In the quest for a cheaper workforce and an export route into the Russian market, the Italian manufacturer had closed one of its Italian plants and moved production of its new model to the town of Kragujevac in 2011, investing in the old Zastava car factory while receiving substantial state concessions

and tax reliefs. Initially blaming the new owner for systematic mass layoffs, local workers and the town's inhabitants soon learned that no preferential treatment could be expected from a foreign private company 'who is here only after profit'. Instead, they doubled their moral expectations of the Serbian state, criticizing it for not granting even bigger concessions and demanding that the state co-finance production of another model to keep FIAT in town. This development illustrates how public-private partnerships (PPPs) not only allocate the economic gains to the private sphere and the risks to the public sphere, as is commonly argued. Rather, they also create a dual moral economy in which paternalism is projected onto the state, while capital is relieved of its social duties.

Splitting Obligations: The Public-Private Partnership as a Moral Economy

The concept of the moral economy did not originate with a focus on proletarian politics but with analyses of pre-industrial uprisings in eighteenth-century England and twentieth-century Southeast Asia. In their different accounts, E.P. Thompson and James Scott both argued against understanding riots as 'simple responses to economic stimuli' – that is, as spasmodic responses to biological deprivation (Thompson 1971: 76). For while hunger was a reason for such rebellions, it was mediated by an overarching set of moral expectations connecting the dominated and the dominant, which the market economy endangered. For Thompson, the liberation of the grain trade upset the traditional provisions for the poor that had been established during the Tudor period, which English uprisings attempted to reinstate selectively. For Scott (1976), an overall 'subsistence ethic' was activated every time stability, rather than the equality of peasant life, was endangered. A 'moral economy' was therefore not necessarily a *virtuous* one; rather, both authors used the concept to distinguish their own approaches from classical 'political economy' theories by bringing into the picture a set of norms, meanings and reciprocal relations that mediated the distribution of power.

In retrospect, what is often flattened in references to Thompson's account as a story of 'morality' are the intricate politics connecting state institutions, farmers and traders, and rebellious crowds. The paternalist laws that were introduced from the reign of Edward VI onwards, Thompson argued, eventually became a sort of institutional default for managing poverty. The authorities could roll these laws back in peaceful periods or reactivate them in tumultuous times to appease the poor. But in turn, such laws eventually shaped a sense of a veritable tradition, generating 'definite,

and passionately held, notions of the common weal' (Thompson 1971: 79). Such notions made people so self-righteous that at times they forgot their fears and periodically made the authorities 'the prisoners of the people' (ibid.). When dealing in grain was legalized, for example, the town authorities shared the crowd's rejection of such activities as 'interloping' and even commanded shops that underweighted the bread loaves to give them freely to the poor (ibid.: 107). The mutual implication of state law and popular justice formed a strong 'bread nexus,' as Thompson called it, in early modern England.

However, if the grain dealers of the early eighteenth century complained that they could not expect the kingdom to observe its own laws and protect them from the mob, the situation was fundamentally different a century later, when the authorities' obligations shifted from the poor to the property owners, and paternalist links outside work were downgraded as charity (Thompson 1963). The shift to industrial capitalism was therefore critically mediated by a change in the moralized obligations governing economic life. This was an outcome of historical struggles involving different classes and institutions, rather than a fixed state.

In recent decades, the concept of the moral economy has been expanded to cover the obligation to employ that has defined relations between the state, companies and workers. From post-socialist informal economies to studies of corruption, bureaucracy and trade unionism, new shifts in social relations were understood as reactions to and partial continuities of previous obligations (De Sardan 1999; Rogers 2006; Mollona 2009). As Chris Hann has noted (2018), such extensions became a problem, having many disparate connotations with no connecting thread. He thus proposed the notion of 'moral dimensions of economy,' where moral ideas about work could be related to their historical roots instead. Most importantly, the notion of the moral economy became misleadingly associated with a certain informal, altruistic sociality that was somehow outside and opposed to market relations. However, as Jaime Palomera and Theodora Vetta (2016) have reminded us, all political economies are moral economies inasmuch as changes of property and labour and the relationship between capital and value are always 'metabolized' through a set of moral norms and hegemonic relations. Market relations sometimes repeat and sometimes conflict with the hegemonic moral expectations, and it is in the productive tension between the two that new social constellations are wrought (Muehlebach 2012).

One such constellation that interests me here is the public-private partnership (PPP), a particular corporate form that has come to dominate contemporary economies. Broadly defined as a capital investment made jointly by the public and private sector in a single business venture, PPPs

have boomed since the 1970s as a solution to increasing levels of public debt. PPPs include long-term cooperation between states and large, often multinational private firms in infrastructural projects, such as public transport, healthcare and educational systems. They can take a number of forms differing in risk allocations, funding arrangements and transparency rules. One prevalent form, for example, is private investment in public infrastructure, which guarantees the private contractor a permanent share of profits. Another is the outsourcing of public services such as healthcare to private firms, with citizens directly paying the costs as the consumers of such services. PPPs flourished after the IMF and World Bank started imposing limits on public debt. Such schemes not only fund privately what used to be public property, they are put forward as solutions to problems of 'corruption' and 'misgovernance', especially in countries in the former socialist bloc and the 'developing world'.³

The main criticism of PPPs is that they involve the unequal sharing of risks. The dominant concern is that public returns on investment are lower than returns to the private funders. PPPs are found to 'conceal public borrowing, while providing long-term state guarantees for profits to private companies' (Hall 2015: 3). This became particularly evident after the 2008 financial crisis, when the biggest losers proved to be countries in southern Europe, which had the largest numbers of PPPs. Such schemes are also said to reduce the costs of capital for the private investors through their ability to use states as guarantors of their investments. Moreover, the costs of goods are driven up and the transparency of key contracts reduced, often with doubtful improvements to efficiency.

While taking all this into account, here I look at PPPs as a particular *social constellation* with a distinctive distribution of entitlements and obligations among the public and private spheres that govern employment. First, PPPs enact a redrawing of paternalist forms of authority, making them dense sites of traditionalist claims. They abound in conflicting claims regarding the public good. They are at once moral and economic: in the same way that the rioting crowds of the past were driven by both moral outrage and the desire to 'set the price' of vital commodities, reactions to today's PPPs happen in the same two registers, setting the value of labour while voicing indignation. But crucially, this *economization* and *moralization* tend to happen in increasingly disconnected spheres. Seeing PPPs across these aspects allows both what is new and what has changed since their introduction to be detected, in comparison with the preceding moral-economic arrangements.

First, PPPs attempt to change not only funding mechanisms but also the role of the authorities. This often recasts past entitlements as generous empowerments and core costs as voluntary acts – what Dinah Rajak has called

'the corporate gift'. The transformation of paternalist firms in apartheid South Africa into social responsibility-style mining multinationals, she showed, paradoxically led them to 'dispense with (rather than fulfil) their social obligations and externalize (rather than address) their social impact' (Rajak 2016: 930). By providing micro-credits for individual accommodation, the company was relieved of its old role of providing accommodation. By providing its core employees with new types of benefits, it pushed a number of workers into outsourced status. And by promising autonomy to the workers, the company raised its hierarchical status, becoming 'more exclusionary and more contingent than the total and comprehensive paternalism that was once so characteristic of the Southern African mining landscape' (ibid.: 945). The result was therefore a particular form of *giving while keeping*, to use Annette Weiner's phrase (1992): while promising the gift of corporate responsibility, the firm was becoming ever more distant in terms of its past obligations.⁴ I take this double bind to be characteristic of all contemporary PPPs inasmuch as new corporate roles are evaluated with reference to earlier forms of authority. As in the riots of the eighteenth century, workers and consumers associated with PPPs strive to selectively evoke traditional expectations so as to confirm their entitlements in the present. However, so do the new owners, reciting the application of former duties of care to new ends.

Secondly, PPPs are sites of competing claims of public good, which often means state and national interests. That much was already evident in Thompson's original account, which cited an anonymous 1718 essay calling all 'jobbers of corn, cattle, and other marketable goods. . . destructive of trade, oppressors to the poor, and a common nuisance to the Kingdom in general' (Thompson 1971: 90). Interestingly, the 'foreigner was seen as receiving corn at prices sometimes below those of the English market, with the aid of a bounty paid out of English taxes'. Hence 'the extreme bitterness sometimes visited upon the exporter, who was seen as a man seeking private, and dishonourable, gain *at the expense of his own people . . . no better than a rebel*' (Thompson 1971: 99, my emphasis). We see the same argumentative connections being made between the interests of the country, the economy and the common man in many criticisms of PPP today. Because foreign–state partnerships are often claimed to be working in the national interest (relieving public debt, employing people, etc.), they are also contested in the same key. Hence, social turbulence around PPPs often proceeds in the form of competing legalisms, patriotisms and étatism (see Hann (2010)).

Thirdly, public–private partnerships create divergent ethics and quasi-independent social spheres. This is a conclusion Laura Bear (2015) derived from her research on changes in an Indian shipyard, where the state

and the market came to be associated with distinctive forms of generative activity. While the workers in public firms engaged in a specific ethos of work sacrifice, the private family firms told stories of entrepreneurial ingenuity. However, this obfuscated the crucial interdependence of public employment, outsourced labour, state bureaucrats and their business friends. 'Ironically, the more bureaucrats and entrepreneurs work together, the more divided in their essential productive qualities they appear to be' (Bear 2015: 80). A key novelty of PPPs thus consists in the selective division and misrecognition of the connection between state governance and private profiteering, patriotic policies and business ethics. This intertwining of different spheres is crucial in understanding how precarity and flexible personhood are fabricated in post-socialist spaces (Kofti 2016).

The situation PPPs create can thus be compared usefully to what Thompson, somewhat misleadingly, saw as a distinction between the 'moral' economies of the pre-industrial past and the 'demoralising' attitude of English political economists. This did not mean, of course, that the latter were unconcerned with the public good. Instead of eradicating virtue from all social spheres, it was only the market that was to be 'disinfested from intrusive moral imperatives' (Thompson 1971: 90). The novelty that PPPs bring to this old liberal motto is their duality: while in their private aspect they become 'amoral', in their public aspect they remain subject to social obligations. The success of new ventures depends on this internal splitting.

'Deal of the Century': FIAT Automobiles Serbia

My focus is on the afterlife of Zastava Cars, a car factory that had been part of the iconic Yugoslav socialist corporation *Zavodi 'Crvena Zastava'*, which at its peak in the 1980s had about 50,000 workers in the Central Serbian town of Kragujevac and up to half a million in associated firms across all of Yugoslavia. The Zastava Corporation produced cars, trucks and armaments, and the car plant completed about 200,000 vehicles a year in its glory days. However, as the wars between the ex-Yugoslav republics started in 1991, the entire complex found itself cut off from its chains of suppliers throughout Slovenia, Croatia and Bosnia-Herzegovina. With hyperinflation and an international embargo, production became irregular and suddenly dropped to only 2% of its 1989 output, and plant usage declined to 5% of that level (Sretenović 2013: 210). This only aggravated the debt problems Zastava had already fallen into in the 1980s, after it had massively borrowed abroad to buy new technology and export the Yugo car models to the US. Together with disinvestment, dilapidation and finally the NATO

bombing of Serbia in 1999, which destroyed the most advanced parts of the factory, the production slowdown lasted for more than two decades.

Thus, the transition to the new market conditions overlapped with a prolonged period of a lack of productivity. However, neither of the successive Serbian regimes switched to the capitalist commodification of labour overnight. Rather, Zastava factories became the testing ground for what many saw as ‘buying social peace’ – that is, compromises between market logic and the need to provide for the electoral masses.

First, in the 1990s Slobodan Milošević’s regime continued to finance the larger factories and forbade lay-offs, keeping masses of workers in a semblance of work status but on long-term leave, with symbolic payments. Second, the market reformers inherited some of this tendency through the ‘gradualism’ of neoliberal reforms in the 2000s. They covered the redundancy payments for workers fired in privatizations and financed many loss-making firms until a ‘strategic buyer’ could be found. Meanwhile, Zastava Cars and many other firms involved in ‘restructuring’ survived in a state of prolonged under-productivity, caught between state control and impending privatization. Various deals with German and Chinese investors were announced and then dropped, while the factory only slightly increased its production figures. In the meantime, criticisms of the state abounded, and it was accused of forging false hopes of re-employment.

Finally, in 2008, the Serbian government announced it was selling the plant to FIAT. Soon to become a model for state policies to attract foreign capital by reducing domestic labour costs (Radenković 2016, Adăscăliței and Guga 2020), the deal gave FIAT two thirds of the newly founded PPP, the state becoming the owner of the remaining third. Front-page news, this takeover enabled the coalition led by the then ruling Democratic Party to pump some hope into the country’s post-privatization economy. The partnership was announced as ‘the business of the century’, a deal that would speed up the country’s eventual integration into the euro zone. The company was to produce FIAT’s new model, production initially being set to reach 200,000 in 2011. The new enterprise would employ around two thousand in the factory itself and around ten thousand in satellite firms in the local area. Indeed, even the mayor of Kragujevac heralded the news and began speaking of the town as the ‘Serbian Detroit’ (sic!) and the ‘Balkan Torino’ being re-established.

The venture was called FIAT Automobiles Serbia (in 2014, this became FIAT Chrysler Automobiles Serbia). The transnational company was to invest 600 million euros to start producing a new model, with the Serbian state investing 200 million. As it transpired, the main share of this was provided by a loan taken out with the European Investment Bank, for which the Serbian government became a guarantor. Furthermore, the entire real

estate of Zastava Cars was added to the venture, with state subsidies of 10,000 euros alleged to be paid to FIAT for each new worker employed. The company was exempt from employee income tax and social-security contributions, from the profits tax for the first ten years and from property taxes. In turn, the old Zastava Cars remained a separate firm on paper, with no debts transferred to the new FIAT factory. These were to be absorbed through further bankruptcy and paid for by the Serbian state, among others.

I started my fieldwork in Kragujevac in August 2011, less than a year after the full binding contract had been signed between the two sides. Back then, the future of the whole project seemed uncertain. The entire production was stopped so the factory could be rebuilt, the workforce went on paid leave until further notice, and the new model was postponed, its very construction apparently uncertain. Workers counted the unsold FIAT Puntos (the licenced model Zastava Cars made before restructuring) in the car park and compared the figure of some 1,500 employees in FIAT with the size of the former factory's staff. People were constantly being bombarded with news about the factory's reconstruction, yet the most important changes were often the most secretive: nobody knew for sure when mass production would restart, how many vehicles would be produced or how many people employed, or the level of investments involved. It was in this interregnum, when new production was still starting up and the deal began to be seen as 'the fraud of the century' (Turajlić 2009; Ninić 2011), that I started my fieldwork among the local unemployed.

To grasp this double bind, one needs to understand the failed promise of transparency around FIAT. The paternalist form of governance and informal ties of the old Zastava complex had long been seen as messy, inefficient, corrupt and burdened with debt. One would often hear that the Zastava directors had had a special position and that no other factory workers in the country received such 'privileged' redundancy packages.⁵ Politicians often pointed to such privileges when calling for the social order to be completely rebuilt *de novo*, with clear standards of accountability where all relations would be transparent. But for many members of these previous relationships, the implementation of new policies seemed partial. Witnessing the newly formed bonds based on political alliances and nepotism, many came to feel that the same old game of networking was being played, but only within the shrinking circles of those in power. The moral economy of the past now seemed not only more inclusive but also more transparent.

Consider, for example, the details of the contract that the Serbian state ministries and FIAT management signed. While the main part of this text was circulated in the media, an annex to the deal, specifying the financial

obligations of the two sides, remained hidden from public view. Explaining that the annex contained sensitive information about the new model that the company's competition might use, the integral version of the contract was declared a 'state secret' and only a handful of physical copies were printed, available to two high Serbian functionaries and to FIAT's CEO. When the Council for the Fight against Corruption demanded a copy of the annex, it received a text of over one hundred pages that had been entirely blackened (Spaić 2011). Needless to say, this strengthened the belief that the deal was not in Serbia's public interest. From fired workers to neoliberal economists, everybody seemed to agree that tax-free production and high subsidies extracted wealth from the 'taxpayers'. As the president of the Nezavisnost trade union put it, nobody had seen the contract, yet everybody 'knew' what it contained. Everybody thought the deal was against the state's interests and yet feared FIAT leaving the country after ten years of its presence there (Pressek 2017). Conflicting forms of economic nationalism thus found their expression in relation to the deal. As in various PPPs across the globe (Funnell, Jupe and Andrew 2009), a spectacular lack of transparency dogged the new project.

Obscurity also plagued the way in which the workforce was fired. Initially, the ageing workers at Zastava Cars counted on a promise that FIAT's CEO had given them in 2008, namely that 'nobody is going to be fired'. But when the Italians officially arrived, it was clear that redundancies would follow. At the end of 2010, all employees had to take written tests of their skills while being forced to sign a statement renouncing their right to see the results. About two thousand employees were made redundant without any explanation. That some people had refused to take the test but been recruited to FIAT's workforce nonetheless only strengthened the belief that the aim was not to really test work skills but to enable the removal of those workers who were over forty as 'deadwood'. Some of the fired workers saw the test as the greatest humiliation of their lives. The alleged culprits were many: the Serbian state, which had 'sold off its own people'; FIAT, which had only come for 'cheaper labour'; the 'greedy' Minister of the Economy, Mladen Dinkić; the local mayor; and the trade union, which was accused of bribery, rumours said.

Finally, hyping the new model coexisted with the greatest obscurity surrounding it. This reached an absurd situation in December 2011, when, aiming to showcase the prototype of the new model but wanting to ward off the competition, the company invited several politicians to drive the new car while it was still covered in a black mask. The sight of President Boris Tadić driving an unidentifiable car for the TV cameras conveyed this obscurity to the utmost. 'Like it's a war plane, not a car,' said one car presser who had been fired by FIAT. Others mused how the whole thing might

have been a trick, with the car being assembled from parts brought in from abroad just to fulfil the deadline to extract money from the state.

What the company saw as a precaution, the local public read as a suspicious withholding of information and a breach of obligations. In some ways, this seemed like a continuation of the old games of elite deception and class antagonism, which were very familiar from Zastava times. ‘Before, you could say *lisica*, now it is *volpe*,’ commented a friend about the opening of an Italian club with the latter name (both words meaning ‘fox’), implying that the Italians had only introduced glitzier forms of deceit. ‘The Italians are even bigger conmen than we are!’ others lamented. In many ways, however, the very *new* horror involving the PPP was the fact that the state had abandoned its obligation to employ the thousands of laid-off workers while at the same time financing what came across as an aloof foreign company. ‘With this money they gave to FIAT, they could have financed Zastava too,’ complained fired workers I met. Having analysed the total sum of subsidies to FIAT, investigative journalists punned: ‘Serbia is the biggest single “foreign” investor’ (‘Srbija najveći pojedinačni “strani” investitor’ 2016).

A Break with the Past: Popular Economization

Such was the initial shock that former workers in the Zastava car factory, now unemployed, experienced with FIAT’s arrival. As is typical with changes in the moral economy, these people experienced a ‘disjuncture between new practices of exploitation and past frameworks of responsibility’ (Narotzky and Besnier 2014: 7). In 2012 and 2013, this resentment slowly gave way to indifference. That is, FIAT’s management aimed to create a double break with the past in terms of both the organization of work and the social obligations to the workers. However, that this ‘clean slate’ succeeded was not merely a result of FIAT’s policies. Rather, popular disappointment came to be taken for granted, normalizing private business logic. Eventually, FIAT came to be seen as a foreign corporation solely attracted by cheap labour and potential export links with Russia, a private firm naturally pursuing its own ‘interests,’ and therefore not an entity one should expect much from. In fact, it was the Serbian state that received most of the popular blame, as well as most of the expectations for its relief.

Consider, for example, the practice of job inheritance. In the 2008 election campaign, the Democratic Party praised the new venture as an investment for local young people, ensuring ‘the future for our children.’ In the same vein, the contracts that the workers signed for their redundancies in 2011 contained a clause that guaranteed their children priority for employment. This clause echoed the intergenerational ties of the old Zastava,

where the younger generation followed in the steps of their parents (see Keskküla 2018). At least on paper, this replicated the paternalist legacies of the old factory complex, where the trope of Zastava as a ‘family’ often extended to actual kin ties on the shop floor (see relatives working in private firms in the chapters by Chaki and Deniz, this volume). The cajoling seemed to work, and many former workers angry with FIAT Automobiles Serbia were nevertheless hopeful that their children might be given a job at the plant. However, their explanation was that children stand a chance not because of inherited family skills but because of a *lack* of them. That is, the policy implied hiring those who had not already been employed in the old factory, as being accustomed to the old ways seemed like a weakness. ‘For FIAT, work experience is a disadvantage; they want empty heads,’ I often heard. And when the local young people were mostly given underpaid positions in comparison to foreigners, one would often hear: ‘Indeed it was all for children, but only those of the Italian managers.’

Even when former workers’ children were given notable positions in the new venture, this was cast as a break with the past rather than as continuity with it. Such was the experience of Jana, a friend of mine in her late twenties employed in FIAT’s Human Relations department. Jana’s mother used to work in a similar role in the old Zastava complex, and her father had been a car presser. Jana was proud of her family connections, but a year into the work she told me that she did not find such connections particularly useful. She mentioned a strange feeling she had when going from her office to the other part of the management building, then still unchanged, where the trade unions were based. The setting there – listening to the radio, drinking Turkish coffee and chattering – reminded her of her school years, when she would visit her father at work in Zastava; she called it ‘time travel’. Here, we see how FIAT’s attempts to change the space and pace of working created a split in the very experience of the employees. The dilapidated halls and idle workplaces Jana had in mind were not something from the past; rather, they co-existed with FIAT’s innovations (Rajković 2018a). Nevertheless the break was persuasive, and even the bitterest unemployed workers expressed their awe when seeing the robots and redesigned shop floors at the ‘Family Day’ in 2012. ‘I can’t believe how they fixed the place!’ one usually cynical presser told me. The Family Day had been intended to mark the continuity of past workers and their families into the present, but the event produced a rupture instead. FIAT thus functioned as a typical modernization project: creating a denial of coevality (Fabian 1983), it left the still functioning remains of Zastava literally *in the past*.

Advanced technology, stricter work discipline and clear personal interests: this is what FIAT became notorious for but also positively associated with. In fact, such stereotyping emerged partially ‘from below’ in response

to the long-standing ambiguities of belonging in Zastava. Many workers remembered the company as ‘our second home’, a romanticized community of extended kinship, sharing and camaraderie (see Dunn 2004; Bonfiglioli 2020). But the selective involution of informal bonds that accompanied the market reforms made many collective identifications seem untruthful and exploitative. Former colleagues turned into nasty competitors for new jobs, and Zastava came to be seen as ‘both a mother and a stepmother’ – that is, a provider of both care and stress, welfare and illness. As a result, a pervasive popular common sense came to normalize personal interests as the only real social force behind any common project. The only way for people to relate, many working-class men and women told me, was to understand that ‘we all have personal interests’ first (Rajković 2018b). FIAT was, at times, seen as a perfect teacher of such individualism.

‘There are no interpersonal relations on the new shop floor, and there should not be any,’ one painting technician who went from Zastava Cars to FIAT told me. ‘When people socialize at work, they start to cover for each other, and compare and envy each other.’ Another presser told me that ‘you could not have friends anymore, only family.’ In such discourses, friendship and work were to be clearly separated, otherwise problems would arise. Sentiments and interests were thus increasingly seen as what Viviana Zelizer (2005) called ‘hostile worlds’ – and FIAT came to be accepted as teaching the values of the proper compartmentalization of different social spheres. And when the factory took over sponsorship of the local basketball club, some welcomed this disciplinary attitude. ‘Zastava funded *Radnički* for no results. But FIAT told them: first play well, then we will sponsor you,’ one IT worker, himself a son of Zastava workers and a fan of the club, commented approvingly during a game.

A shift also happened in trade union activities, as they learned what and what not to expect from the new management. In this regard, their situation resembled the changing expectations workers typically have when their factory goes multinational. When Spanish steel factories became the property of the global giant Acelor-Mittal, for example, the trade unions quickly learned that ‘central managers do not care about what happens to any individual plant, nor, obviously, to its workforce’ (Narotzky 2016: 27; see also Mollona 2009; Kasmir 2014). The new multinational structure also meant more complex trade-union negotiations, as victories by one union implied the demise of another on the other side of the globe. Serbian workers were well aware of the transnational interdependence that had grown up since FIAT’s arrival: as was widely publicized, FIAT threatened the workers in its iconic Mirafiori factory in Turin with relocation of the new model’s production to Serbia if their trade unions did not relent. It was only when they refused that FIAT signed the agreement with the Serbian

government. The inhabitants of Kragujevac thus said that ‘FIAT betrayed its own workers, so why it would care for us?’ The average salary of 350 euros – above the Serbian average in industry but four times less than in FIAT’s Italian factories – made the local unions aware that the main attraction of their members is that they are among the cheapest workforces in Europe, competing only with Asian workforces.

Through series of ruptures, therefore, FIAT came to be seen as the embodiment of the ‘pure interest’ logic, in opposition to the mixture of interests and sentiments associated with Zastava in the past. As Valerio Simoni argued for Cuban migrants in Spain, it is at the interface of ‘conflicting regimes of value’ – socialism and post-socialism, past and present, national and transnational – that differing moral economies are clarified, reflected on and evaluated (Simoni 2016: 454). Likewise, some of Kragujevac’s workers saw the changes introduced by FIAT as normal, as what was to be expected from a private investor: this was an act of popular economization, a normalization of the market and wage labour. And, as in Simoni’s case, what was being defined was the ‘divide between the “economic” and the “social”... a divide between two radically different spheres of value and models of being, cast here as incompatible’ (2016: 465). However, in the case of the PPP that created FIAT Automobiles Serbia, this divide was projected onto two discrete spheres of production and authority: the ‘amoral’ private sphere and the ‘re-moralized’ state sector. If the FIAT side was seen as expectably interest-seeking, the state had to compensate for this with new social roles. I now turn to these continuing legacies of state welfarism in Kragujevac.

Plus ça Change: Continuing Étatization

European welfare states, Steffen Mau has argued, cannot be explained merely in terms of a logic of self-interest governing monetary contributions. Rather, they consist of shared sets of social norms and moral expectations and govern how giving and receiving are imagined. The promotion of a self-interested actor, *homo economicus*, has thus always been followed by a complementary *homo reciprocus* in post-Second World War history (Mau 2004: 35). This moralization of redistribution by the state – as in pension and healthcare provision – was not simply anti-market. Rather, as Karl Polanyi implied with his notion of ‘double movement’, each advance of market deregulation since the eighteenth century has been followed by attempts to attend to the social dislocations that result from it (Polanyi 1944). From early syndicate politics through protectionist states to the New Deal and even fascist states, welfare institutions attempted to close the gap

between the economic and the social that had been opened up by the 'great transformation'.

East European socialist states were, of course, not simply welfare states but tried to erase the liberal binary between the 'economy' and 'politics', labour and welfare. This meant that employment was a means not only to activate the workforce but also to place people in a total social system that attended to the needs of both production and population (Collier 2011; Hann 2014). Employment status, for example, defined 'economic interests, social status, and political loyalty of Yugoslav citizens . . . one's place of work was the centre of one's social universe' (Woodward 2003: 76). This labour nexus suffered a huge hit during the period of hyperinflation, war mobilization and embargo in the 1990s, and again in the systematic market restructuring towards the end of that decade and in the 2000s. Yet what happened was not simply a matter of 'state withdrawal'. Rather, various governments kept interfering in contingent ways, making large parts of the population increasingly dependent on state support after privatizations (see Read and Thelen 2007). In Kragujevac, ambiguous state interventionism spread in parallel with redundancies.

In 2010, workers sacked after FIAT's arrival held dramatic mass protests and occupied City Hall, accusing the authorities of not fulfilling their promises to secure all jobs. They eventually achieved an ambiguous concession. Aside from a small number of people who were re-employed in the few existing Zastava Group's firms or who qualified for the government's pension buyout programme, workers were given the option of taking a state-funded lump sum of three hundred euros per year of past work, together with extra monthly payments over the next two years. This provision, which was unique in Serbia and which about nine hundred people chose, was roughly equivalent to the minimum wage in Serbia at the time (around 150 euros). After the two-year period, the National Employment Agency would have the obligation to find these people a job in local firms, presumably as FIAT's partner firms were opened. Meanwhile, those benefiting from these payments were expected to attend a series of educational courses and training programmes, half their monthly payments being conditional on regular attendance. The state therefore took up the funding of redundancy schemes arising out of FIAT's arrival, as well as responsibility for the relief of the social dislocations caused by the privatization.

A similar reassertion of paternalism pervaded the functioning of Zajedno za Šumadiju (the political party 'Together for Šumadija') that formed the local government. On the one hand, critics accused it of partocracy and loading the town's budget with debt. The mayor, Veroljub Stevanović, was rumoured to be receiving a percentage of all deals with investors and controlling every business in town, drawing up lists of those who were to

be employed in the new firms. On the other hand, Zajedno also organized a soup kitchen for the poor and free public concerts, as well as finding informal solutions for social problems. People would go and visit the mayor in his office early in the morning to ask for a job. Indeed, *čiča Verko* (Uncle Verko), as he was often called, sometimes solved various ‘social’ issues publicly on a case-to-case basis, as when somebody’s medical insurance had not been paid by their firm. The largest employer in town was not the car industry but the public sector, which partially absorbed unemployment after the Zastava factories had been closed: in comparison to some two thousand workers in FIAT Automobiles Serbia, the public firms employed twelve thousand. Thus, the Zajedno party acquired a complex reputation as at once dispossessor and protector. The party was often seen as a ‘clan’ one needed to connect with in order to get any job, as well as being a more familiar face of the state than the authorities in Belgrade, fixing the injustices carried out on the republic-wide level (see Thelen, Thiemann and Roth 2014).

Such practices were not simply remnants of the old socialist moral economy. Rather, the state acquired a new centrality amidst the job insecurity, both as the key intervener in labour markets and as a highly moralistic arbiter of what people deserved (Rajković 2017). During my fieldwork, an accountancy teacher advised unemployed students to ‘find some state interest, in order to find an interest for yourself’ when making project applications, and the state’s campaigns increasingly co-opted the language of the unemployed in order to condemn everyone else as idlers. People needed to claim discursively that they were in some way valuable to the state in order to make any claim to its distribution. The political change of 2012 that saw the Serbian Progressive Party come to power only speeded this up. Its leader, Aleksandar Vučić, cited Max Weber’s Protestant work ethic as something that lazy Orthodox Serbs should aspire to achieve. Changes to work habits were both economically necessary and reformed the nation morally. Yet the state continued to subsidize foreign companies while turning a blind eye to a variety of breaches of the labour laws.

Meanwhile, the situation at FIAT’s car factory had also changed. In 2016, when sales of the new model plunged, the trade unions insisted that the Serbian government should co-finance the production of FIAT’s new model to prevent capital flight and keep employment in the country. While the state did renew a contract for another ten years, its high functionaries changed its expectations of the workers. In the strike of 2017, for example, the prime minister castigated the workers for the stoppage, saying that with each day of the strike Serbia was losing its GDP. One of the ministries’ consultants advised workers to ‘fight for a new model, not for wages and pork chops’ (B92 2017). The post-socialist state’s allegiances shifted to the

side of capital. As a Serbian state commercial on CNN put it, on offer were 'high-skilled, low-cost workers'.

Conclusion: A Double Game

By focusing on FIAT Chrysler Automobiles Serbia, in this chapter I have argued that PPPs should be understood as a specific modality of the moral economy, in order to determine what is old and at the same time what is new about them. PPPs transform previous forms of authority and obligation, and they are criticized for their selective protection of traditional entitlements. They are simultaneously economic and moral, setting the price of labour while expressing indignation at the change of ownership. They invite a plethora of competing claims to public good and patriotism. But crucially, they do so by splitting obligations: while investing the private partner with the logic of 'pure interest', they 're-moralize' the state. Freeing capital of its old social duties, PPPs double their expectations of nation states.

Liberal reasoning is often understood as perennially split, balancing between 'pure gifts' on the one hand and 'pure commodities' on the other. As Jonathan Parry argued, modern giving rewrites archaic social reciprocities by separating the economic from the social, with the centralizing state becoming the grand controller of distribution (Parry 1986; see also Carrier 1992). A focus on the PPP as a split moral economy helps us understand this Janus face of the new economies. PPPs are not sinister simply because they load state apparatuses with debt in the form of subventions to capital, as is conventionally argued. Rather, they incur a double debt in the sense of the state providing what the market rejects, possibly generating criticisms of failing states. But national leaderships can also refashion this role of the benefactor as that of a creditor to the population, thus twisting the arm of those it had formerly protected. It is by following what happens in these seemingly disconnected but crucially intertwined spheres – the supposedly 'amoral' market and the ambiguously 're-moralized' statehood – that we can understand the new double games of market integration.

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Notes

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1. Social property meaning the institution of Yugoslav self-management under socialism, involving what was neither a state property nor a private one but one belonging to the entirety of the 'working people' and managed by work councils. It was created in Yugoslavia as a way of distancing itself from USSR-style socialism after 1948, with the federation searching for a democratic 'third way' of socialism.
2. The company was called 'FIAT Automobiles Serbia' until 2014, when the global merger of FIAT with Chrysler took place. Nevertheless, it is still recognized only as 'FIAT' in Kragujevac and Serbia, for which reason I will use the earlier designation here.
3. Especially across Latin America, with regard to the privatization of industries and vital resources, such as water.
4. This redistributive shift is discussed in detail in my book manuscript, *The Gift of Work: Indebting the Social in a Post-Yugoslav Factory* (n.d.).
5. Fired workers of Zastava received, as a deal, 45% of their wages between 2001 and 2007.

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8



Changing Mutuality

Building a House with Unpaid Labour in Bulgaria

DETELINA TOCHEVA

Introduction

In Bulgaria, using unpaid collective labour for the construction of private houses, provided by kin, neighbours, friends and work colleagues, was omnipresent under state socialism (1944–89). In this period, as the availability of professional construction workers for housebuilding was limited, it was common wisdom that one could not dispense with the unpaid labour of relatives and friends. One was expected to reciprocate if asked to do so. From being a widespread, standard way of building private houses under socialism, it has become rather unusual under the present-day neoliberal market economy, where paid professional labour is the dominant form. Rory Archer (2018) has noted a similar erosion of this practice in Serbia. In socialist Yugoslavia, many built their houses ‘by themselves’ with the help of kin and acquaintances; this was ‘the spirit of the time.’ Now, ‘[i]n suburban tracts of contemporary Serbian cities in the 2010s, the reciprocal exchange of cooperative labour is no longer salient as it had been in late socialism’ (Archer 2018: 154). Decline, however, does not mean disappearance. In contemporary Bulgaria, unpaid collective labour continues to be used to construct family houses, although labour gangs consisting of relatives and friends are now restricted to a small circle of close acquaintances and family members. This kind of work continues to be defined as physical labour bound up with a social relationship that is normally not mediated by cash but underpinned by a sense of mutual expectations and obligations to help secure the material substance of life and provide shelter for a family. Its varying prominence and symbolic importance throughout history

indicate that these mutual obligations are part of the economy, and they can shift along with encompassing political and economic circumstances. I approach this kind of cooperation as a compelling example of the historically shifting share of mutuality in the reproduction of the material basis for life. I see mutuality as a core component of the moral economy in the sense originally defined by E.P. Thompson (1971) and James Scott (1976). The kind of mutuality described in this chapter is expressed in the form of mutual obligations and expectations to provide free labour for house-building, which is widely considered good and legitimate, whereas a refusal to meet such obligations and expectations engenders a collective sense of disapproval and outrage. In analysing house construction, this case study of a village in Bulgaria demonstrates that the moral economy is deeply entangled with the material economy but also that their entanglement can be transformed over time to accommodate circumstances more broadly.

From Ancient Greece to contemporary globalized societies, the house, or *oikos*, has always connoted a degree of self-sufficiency both as an ideal and in reality (Hann and Hart 2011; Gudeman 2016). The post-socialist setting provides a good illustration of the endurance of the ideal and to some degree of the practices that enact it (Gudeman and Hann 2015). Ethnographic and historical data also indicate that the ideal of the self-sufficient house has always been imperfectly realized. Those wanting to build a house felt entitled to external support, which they saw as morally justified and which those offering their labour felt obliged to provide. Stephen Gudeman argues that this kind of labour is a form of mutuality rooted in connections and relationships stretching in some cases far beyond the closest relatives and friends of the members of a household (2016: 52–68). My case study describes how the practical implications of this expression of mutuality and its meanings and boundaries have shifted. The ethnography below shows that the deeper penetration of markets, in combination with changes in factors such as demography, international migration and rural decline, is correlated with the contemporary decline in the relative share of unpaid collective labour. Yet, as Gudeman suggests regarding the expansion of modern markets, '[s]uch connections may be fractioned and obscured in markets, but they are part of these economies as well. The relation between self-interest and such mutual connections, however, shifts as we move our lens from house to market economies' (Gudeman 2016: 53). This relationship between self-interested transactions and mutual connections changes also when we examine the house in historical perspective.

Mutuality so defined resonates with some recent theorizing about the notion of a moral economy. Rooting his approach in Polanyian substantivism, and drawing on the seminal works of Thompson (1971) and Scott (1976), James Carrier (2018) equates moral economy with mutual obliga-

tions and expectations that economic activities will be conducted in a certain way. For Carrier, a moral economy is one in which moral economic activity predominates, as opposed to a neoclassical economy, in which neoclassical activity in the form of self-interested market transactions predominates (2018: 30).¹ According to this distinction, the decline of unpaid collective labour for house construction in post-socialist Bulgaria evidences a shift from the socialist economy, which, in the sphere of housebuilding, was quite a moral economy, towards a predominantly neoclassical economy based on self-interested transactions. Carrier adds that his analysis of the moral economy can be seen as ‘an extended footnote’ to Gudeman’s concern with mutuality (*ibid.*: 32), thus underscoring the overlapping between theories of moral economy and models of the economy that stress the fundamental tension between mutuality and the market (see also Gudeman 2008).

Carrier argues that ‘people’s interaction in their economic activities can generate obligations’ (2018: 24), in other words that mutuality can result from self-interested transactions. Furthermore, ‘the broader social and economic context makes moral economic activity more or less likely’ (*ibid.*: 31). Hence Carrier situates his analysis on the scale of individual life. While taking inspiration from his approach to moral economy, my analysis of unpaid collective labour as a ‘moral economic activity’ in the construction of houses adopts a longer historical perspective drawing on Chris Hann’s (2018) approach to the long-term transformation of work as a value in Hungary. Hann adopts a Weberian perspective in tracing the transformations and contemporary plural meanings of work as a value in order to highlight ‘the moral dimension’ of the economy, considering the concept of the moral economy as ‘clumpish’ (2018: 230, 231, 236, 249). I bring together these three authors to build an analytical framework that makes possible a focus on the historical transformations of mutuality. If the moral economy of housing in contemporary societies entails plural and complex relations of class and domination, intermingled with shared, yet often contradictory, values and social norms (Alexander, Hojer Bruun and Koch 2018), a focus on enduring but also changing mutuality, expressed as unpaid cooperative labour for housebuilding, can help shed light on processes of resilience and on the transformation of this moral economy. Mutual support for housebuilding in Eastern Europe belongs to a long-term pattern of (rural) solidarity. In the socialist period, it was interwoven with ubiquitous informal arrangements regarding the procuring of materials and access to official authorizations (Kenedi 1981; Sík 1988; Creed 1998: 200–2; Ledeneva 1998; Benovska-Sabkova 2001: 118–19; Dobрева 2003; Molnár 2010; Archer 2018; Mihuț 2019). However, informality has outlived state socialism (Henig and Makovicky 2017), and the distinction between urban and rural is no longer analytically sustainable (Kaneff 2014).

I suggest that unpaid collective labour is both a mutual obligation and an informal exchange of favours in housebuilding – under state socialism as in the neoliberal market economy that has replaced it. Thus, I approach unpaid collective labour for the construction of houses as a form of mutuality (Gudeman 2016) that has nevertheless been transformed in the history of changing political-economic regimes (Hann 2018), as well as in relation to wider institutional arrangements, both formal and informal. This approach helps us trace the expansion and contraction of mutuality, which is, following Carrier (2018), what makes an economy moral.

In the following sections, I analyse the changing importance of mutuality in people's economic activities, the kinds of social relations that are mobilised and changes in the degrees of relatedness of those involved. I first describe the case of a former villager who had recently completed the construction of his house. I then turn to the case of his parents, who had built their own house more than three decades earlier. I also refer to the narratives of other villagers, collected during interviews about the process of house construction in late socialist times. I mostly draw on my ethnographic fieldwork but also refer to published sources on occasion.

Background: The Locality

In 2009, I began ethnographic research in the area south of the town of Smolyan, a regional centre in the central part of the Rhodope mountains, in Bulgaria. I return there regularly, sometimes twice a year. Belan² is a village located in the southern part of the central Rhodopes, some thirty kilometres south of Smolyan. The area is mountainous and picturesque, and the village itself is around a thousand metres above sea level. Most of the houses are located along the main road. There are also several districts (*mahali*) scattered around the hills and in small valleys. The ongoing economic and demographic decline of the entire Rhodope region started in the early 1990s as a result of the dismantling of the social and economic structures of the state-socialist period. After the introduction of the market economy, private businesses emerged, none of which has proven robust enough to supply the local labour market with a sufficient number of jobs. Some parts, including the area south of Smolyan, have experienced the uneven yet locally cherished emergence of rural tourism. The beauty of the landscape, the rapid opening of guest houses and small hotels, and the high quality of the local food have proved to be major factors in its development.³ However, no one makes a living from accommodating tourists alone: additional income is always necessary. Belan has a small functioning wood-processing plant and a sewing workshop that employs around thirty

women and one man, but the salaries are ridiculously low, the villagers say.⁴ There is also one large-scale farmer who employs two to five workers depending on his seasonal needs. Almost every household produces some potatoes, beans, tomatoes and other vegetables and fruits. Since the beginning of my fieldwork in 2009, the number of animals (sheep, cows, calves) kept in stables next to the houses has significantly declined.

Currently, there are 229 houses in Belan, some of which are unoccupied. There are a couple of cases of bi-residential households – that is, households owning two houses in the village and using them simultaneously on a permanent basis or during the visits of children and grandchildren. In 2010, the village had 345 registered inhabitants according to figures provided by the mayor's office. By 2019, this had declined to 271. The permanent population is declining rapidly, since families with young children tend to move to the larger cities, such as Plovdiv and Sofia. Cyclical migration for work to Greece and Spain was also popular until the 2008 crisis. Since then, Britain and to a lesser extent Germany have become privileged destinations. Most of the young men and women who leave for Britain do so using connections with local people who have already become established there. Some work with official contracts, while others do undeclared work. In the past three or four summers, everyone has seen an increase in the number of relatively new, large, left-hand drive cars, indicating that some migrant workers have earned enough to afford high-quality second-hand vehicles in Britain. Besides cyclical and seasonal migration, some families have settled in Britain or Spain on a permanent basis but keep coming back for holidays to their native village, sometimes twice a year. Such migration means that individuals who are not registered in the village maintain a relationship with their usually elderly relatives still living in Belan, or simply come to refurbish their houses during the summer. Furthermore, there is a long-term practice of double residence in Belan and in the regional centre of Smolyan, further complicating the task of determining the exact number of people actually living in Belan. Depopulation is nonetheless an obvious ongoing process.

In Belan, as in some neighbouring villages, nuclear families pool their incomes. In practice, this means that the husband gives the larger part of his salary to his wife and keeps a small sum as pocket money, which is mostly spent on cigarettes and drinks. The wife adds to the family budget with her own more or less official income, which is usually lower than what her husband earns. Grown-up and working children who are still living with their parents eat with them while at home but tend to keep their earnings for themselves. They tend to contribute money occasionally when larger items are bought or when the household has to meet larger expenses. They also usually contribute with labour when the work is more intensive, such as with haymaking, potato harvesting and processing the meat of large

animals. Under late socialism, the past era my informants remember best, the most widespread model was the two-generation household. This pattern prevailed in the late Ottoman period and in the first decades of the twentieth century and was dominant among both Bulgarian Christians and Bulgarian Muslims, the latter known locally as Pomaks, representatives of these two groups having lived together in Belan for centuries (Brunnbauer 2002).⁵ The Muslims form the majority.

At present, as in the past, elderly and retired parents sometimes live in the house with the nuclear family of a son or daughter. In this case, the house usually belongs to them, being passed on to their son, in principle to the youngest one, and his wife after the deaths of the elderly parents. The older members also contribute to the household budget, usually by paying the bills (*smetkite*) for electricity, water and telephone. Households with an elderly member receiving a monthly old-age pension are considered privileged because this regular income allows the bills to be paid for the whole house. The occasional sale of domestic agricultural produce (typically, in this part of the mountains, potatoes, beans, milk, meat) and animals (sheep, calves, cows) usually provides additional income, with important seasonal variations. Savings are particularly rare. In 2010, I administered an extensive questionnaire. With the support of the mayor's office, I estimated the number of households – that is, of relatives who live together and pool at least some of their incomes – at two hundred. More than 10% responded to my questionnaire, distributed among the different neighbourhoods. Only one family declared it had some savings, and this was a family with a successful business in tourism (Tocheva 2015). Almost every household has experienced long-term money shortages roughly since the end of state socialism in 1989. The availability of housing is not an issue in Belan; the inhabitants' main problem is the lack of money. In daily life, the cash nexus seems totally irrelevant for a range of small services provided as mutual support: friends help with haymaking; neighbours look after a child or a sick person until a household member is back home; if the members of a family have to return home late in the evening, a neighbour milks the cow and feeds it. Considered in this broader context, unpaid construction work given as help stands out: it is hard, energy-demanding and time-consuming but also instrumental in carrying out a symbolically important task directly related to a family's future.

Yassen's House

Building a house was a frequent topic of discussion in my host family. First, their own house had been built in the late 1980s, when recourse to

the unpaid labour of kin, neighbours and acquaintances was the norm. My hosts still have clear memories of the challenging but also joyful time when their home was being constructed. Secondly, one of their sons built a house between 2018 and 2019, both events being cornerstones in the lives of both generations. Unpaid collective labour was of the utmost importance in both cases, but the way external help was mobilized differed significantly. The material aspects (including the location, the procuring of materials and the availability of skilled professional construction workers), the sense of obligation and the overall spirit of the event were also very different. Below, I describe how Yassen built his house. Later, I turn to the construction of private houses under late socialism and earlier to demonstrate how precisely the magnitude and meaning of mutuality as embodied in unpaid collective labour have changed.

The three grown-up sons of my hosts no longer live in the large family house in Belan. The eldest son, in his early forties, lives in Smolyan with his wife and their two daughters. The youngest son, in his early thirties, has worked in Britain intermittently for four years, spending half of the year in Bulgaria and the other half in Britain. However, in 2018 he got married and settled in the city of Plovdiv, where he rented an apartment. Yassen, the middle son, in his mid-thirties, has the longest work experience, first from construction work in Bulgaria and later as a salaried worker on an official contract in Britain, which he held for almost five years. Yassen's wife, also originally from Belan, accompanied him to Britain and was employed there too. The young family could have stayed there permanently: their employer tried hard to persuade Yassen to do so on a stable contract with a higher salary, but the young family refused. They wanted their daughter, who had been born in the meantime, to grow up in Bulgaria and decided to return there permanently.

The plan was for their savings to be used to build a house in Plovdiv, Bulgaria's second largest city. Yassen's and his wife's decision to buy a plot of land in Plovdiv, situated around a three-hour drive from Belan, and settle there is not surprising. The couple were convinced that the economic and demographic decline of the Smolyan region would continue. As land in the new locality is highly valued by the upper middle classes and the new rich,⁶ Yassen paid a high price by local standards. The initial plan was for a house of 170 m², surrounded by a garden. The construction began in 2018, the roof going on in summer 2019. Yassen and his wife, with the help of Yassen's father, brothers, friends and cousins from Belan, participated actively in building the house, only using a construction company to put in the foundations. Yassen bought a van to transport some of the materials, and in the summer of 2018 his elder brother used the truck he drives at work to help Yassen transport additional materials. During the summers of

2018 and 2019, Yassen's brothers and three young men from Belan, two of whom are cousins, came to help. His father came too, but only after Yassen insisted.

Yassen's parents found the whole initiative problematic. They were uncertain about his chances of building the house 'by himself' – that is, without hiring a company to do most of the work. Certainly the circumstances differed considerably from when they had built their own house 'by themselves.' For one thing, Yassen was preparing to settle quite far from Belan. Distance reduced the chances that a large number of kin and friends could provide help on the construction site, and Yassen had to make special arrangements for them (see below). His parents' house had been built with the help of kin, neighbours and work colleagues who all lived in Belan or nearby, making it possible to mobilize community bonds of mutuality and obligation, which were necessarily rooted in a single locality and its surroundings. Yassen's parents were also concerned about him falling into debt. Yassen had bought some high-quality materials and paid a particular company for a specific task. His parents thought he had taken out a bank loan in secret. Even though many other villagers had taken out a bank loan in the 1980s, my hosts think that times have changed and that a bank loan now represents a serious risk for the debtor.

In Yassen's eyes, things looked quite different. Far from being sceptical, he considered that he was overcoming the difficulties of distance and coping with the loan. Belan, where his parents, cousins and friends live, and Smolyan, where his elder brother lives, are indeed distant enough from Plovdiv to prevent helpers coming to the construction site on a daily basis. Therefore, once a small number of workers had promised to come to Plovdiv, Yassen arranged for them to stay overnight with acquaintances in the city. He turned to fewer than ten young men, and to his father, who seemed to have done the job with great efficacy. Yassen's wife was also part of this solidarity group. 'She worked on an equal footing with the young men,' Yassen's father reported to me, with a note of praise in his voice. Overcoming dislocation and offering one's hard physical labour for free in an era when this is not as common as it used to be seems to have added a new layer to the workers' sense of relatedness.

Yassen was not very talkative regarding the money loan, perhaps because he wanted to avoid village gossip. Villagers tend to consider indebtedness as being unnecessarily risky and undesirable (Tocheva 2018). In Bulgaria, as elsewhere in the contemporary world, a debt that is hard to pay back has come to be regarded as a personal failure on the part of the debtor (Graeber 2011), but Yassen had solid reasons for feeling confident. First, he had worked on large construction sites in Bulgaria prior to his departure for Britain, specializing in some highly skilled work. Moreover, speaking

occasionally about money, he said he had received regular job offers from solid construction companies and that his daily earnings sometimes exceeded the monthly salary of most Bulgarians. Thanks to the plethora of job offers he was constantly receiving, he was able to get his younger brother involved in such a way that the latter can now benefit from these job offers and their high wages too. In explaining to me why he felt confident, he was not boasting; he simply meant that he was earning enough money to build his house. Yet, except for the foundations, Yassen refused to put the construction of his house in the hands of a company because, he said, it meant wasting money and being virtually certain that the work would not be carried out correctly. In contrast, for him, workers who are closely related are far more trustworthy. For Yassen, thrift and trustworthiness are entangled.

Regarding the construction of houses, trustworthiness is commonly attributed to the voluntary labour of kin and friends. Furthermore, tasks demanding skilled work and payment should be entrusted to acquaintances, money should be spent wisely, and the construction of the house should be placed under the control of the house owners, no matter how long it takes and how demanding it might be. In Belan, there are a couple of recent examples of construction work where the house owners had no personal relationship with the construction company. Once it became clear that the work was of poor quality, the villagers unanimously commented that unrelated workers are prone to cheat on their clients. A preoccupation with trustworthiness in the context of house construction is not a specifically local phenomenon. In neighbouring Romania, the kind of personal ties that help reduce prices and allow for delays in payment are a guarantee that the work will be of high quality. Such personal ties have been largely instrumental in the consolidation of small construction businesses in the neoliberal era (Umbres 2014).

Even though Yassen's close relatives found it difficult to travel to Plovdiv, they did not refuse to do so and did the job with great devotion. Nevertheless, such positive support has become somewhat uncommon in contemporary Bulgaria. Building a house with the unpaid help of kin and friends has become rather unusual, with construction companies now being the main actors in this sector, as has happened elsewhere in the post-socialist world. But even with the expanded marketization of house construction, occasional help, reciprocated or not, is commonly viewed as normal. A certain sense of mutual obligation and expectation, or 'moral economic activity', continues to be part of the overall economy. When people pay for other people's labour, they try to establish a social relationship in addition to the cash-for-labour nexus (Umbres 2014). This may be seen as ensuring trustworthiness or quality, or as a moral premise for further market transactions. It means that the construction of private houses has remained at

least partly rooted in the realm of sociality and morality. Nevertheless, the way of mobilizing mutual obligations on the construction site, the degree of relatedness of those involved and the meaning of unpaid collective labour have all changed. Such differences become evident when we compare the use, magnitude and meaning of such labour under the planned economy of state socialism.

A Long-Term Perspective on Unpaid Labour

During the nineteenth and first half of the twentieth centuries, the Rhodope mountains were known for being backward in terms of housing, education, transport and agriculture. The construction of family houses, which met the highest standards of comfort and modernity under late socialism, was also viewed by the local inhabitants as a decisive break with the stereotype of backwardness. If the state encouraged the construction of private family houses in a variety of ways, as outlined below, everywhere it was household members, with the help of kin, friends and work colleagues, who did so.

Unpaid labour as a form of mutuality belongs to the long-term history of the economy in the central Rhodope. Labour ‘circulated’ among villagers according to a principle of more or less balanced reciprocity, including with regard to housebuilding. Christian and Muslim households did not differ in this respect, although they occupied different economic spheres under Ottoman rule – that is, until 1912 in the south-central Rhodope. Ottoman legal provisions meant that Muslims tended to have more land and thus needed help for agricultural tasks. Christians had smaller plots and mainly needed help on their land when the men were absent from home for work (Brunnbauer 2002). Even though people had access to the monetized economy (mainly the Christians, thanks to the men’s occupational activities as craftsmen and wage-earning shepherds), collective labour was provided in order to help a co-villager or an acquaintance, and it ‘did not have to be paid’ (ibid.: 334). There was a social expectation that young men, who were usually strongly supported by their parents, would build a house before getting married with the help of the members of the professional guilds to which they belonged (ibid.: 335–38).⁷

Ethnographic literature from the pre-socialist and socialist periods underscores the existence of the word *mezho*, a term specific to the Rhodope vernacular. *Mezho* refers to collective unpaid labour offered by the village community to households who need help in accomplishing a particular task, such as building a house. My interlocutors brought this term to my attention on several occasions when I asked explicitly about local traditions of labour exchange. However, I have never heard them use it

in their conversations. Instead, they refer to ‘help’, in phrases such as: ‘We come together in number and we go to help’ (*saberem se mnogo i idem da pomognem*).

In the socialist period, therefore, using relatives and friends’ unpaid labour was the standard way of building a house. Providing such support was a common type of mutual obligation. As Mihuț’s informants from rural Romania put it, ‘[A]t that time, under Ceaușescu’s regime, people helped each other’ (Mihuț 2019: 45), or: ‘So it was in Ceaușescu’s time: now you come to help me, next time I’ll come to help you!’ (ibid.: 46). In fact, there were almost no alternatives to unpaid collective labour for the construction of private houses. The shortage of professional masons and other construction workers was a stable feature of the socialist economy in Bulgaria, Romania, Hungary and Yugoslavia (Kenedi 1981; Sík 1988; Archer 2018; Mihuț 2019). In Belan, the first wave of building and renovating houses under socialism started in the 1960s. This was the time of the first massive implementation in the Rhodope of state policies introducing electricity, running water and paved roads. Bricks (instead of stone) also started to be used. The second wave came in the 1980s, by which time the use of bricks had become general as a marker of modernity and comfort.

This second wave of construction was to a large extent the outcome of state incentives. In 1982, the government issued a decree (Decree 22, known as the Strandzha-Sakar decree) whereby young families settling in depopulated and under-industrialized areas east of the Rhodope received 2000 leva, an impressively large amount of money at that time, when the monthly salary of a teacher was less than 300 leva. Electricity and water were supplied for free, and a small amount of extra money was given every month as compensation for settling in a border region (known as ‘border money’, *granichni*). Some parts of the Rhodope benefited from this decree, including Belan. According to an informant, around 1982, Belan had between seven and eight hundred residents. When the decree came into force, the village received eighty new inhabitants, meaning a 10% increase in population. These were mostly young families from different parts of the country who were guaranteed a job in the area in addition to the benefits just mentioned. The Decree also made it possible to use land owned by the municipality in order to build a house. Local people too were allowed to apply for such municipal land. In addition to twenty-three new houses built by local people, the construction of which was supported by the state, other houses were also erected in the village. A subsequent decree gave access to monetary support once a house had been erected and roofed.

In order to succeed in building a house, one had to overcome three major obstacles: the limits on the size of the house set by the authorities, access to

construction materials and shortages of money. It is significant that none of my informants mentioned difficulties in finding workers. According to the villagers, to begin with obtaining permission to build a three-storey house instead of a two-storey one was difficult, requiring cunning and bribes in order to get round this restriction. For them, the ideal new house had a ground floor, which was registered as a garage and storage space in order not to attract the attention of the authorities, who might have suspected that it was in fact a living space. Then two more levels were added for use by the two children (having two children was the standard by then) when they grow up and marry. The same official restrictions and local desires applied to houses built in the 1980s by young families who did not apply for state support, possibly because they did not qualify for it. All these houses were erected according to the same plan of a large two- or three-storey family house authorized by the state, like so-called ‘types of projects’ in Romania (Mihuț 2019: 33).

The shortage of building materials posed another major challenge. Again, in this respect, the Bulgarian economy of housebuilding belongs to a wider socialist pattern (Kenedi 1981; Sík 1988; Molnár 2010; Archer 2018; Mihuț 2019). Men who were employed as drivers by the consumers’ cooperative, supplying commodities for the local stores, had privileged access to information and to building materials. They knew when building materials were due to be released for this or that locality and could use their vehicle to provision their own houses. Before the materials arrived, those who needed them had to register on a list, called a ‘waiting list’ in Romania (Mihuț 2019: 39). The drivers would put their own names at the top of the list and would deliver the materials they needed to the construction site for their own house. A neighbour from Belan told me proudly how he himself used the informal advantages of his job as a truck driver while his house was under construction in the 1980s. Others were less fortunate, as was the case for my host family. They expected bricks to be brought to their house when their name eventually reached the top of the village list. In order to make sure that the materials would be delivered to their construction site, my host, who was in his early thirties at the beginning of the 1980s, went to the town from which the materials for the Smolyan region were released. He spent ten days near the warehouse waiting for the truck to be loaded. When the truck for Belan was ready to leave, he talked to the driver and accompanied him on the trip to the village. Unexpectedly, however, the driver went to the house of another local family, whose grandmother worked in a shop. Knowing in advance about everything that had to be delivered to Belan, she had arranged for the truck to go to her own house, although her name was not on the list. As a result, my hosts did not receive the quantity they expected, so they complained to the mayor’s office, and the driver was

given an official warning. My hosts were still expressing strong resentment regarding this incident when telling me the story almost three decades later.

Some were privileged in that they were given the opportunity to buy materials through their connections or favoured positions (Creed 1998: 206), in some cases at a lower price or even for free (Dobрева 2003). The response of those who lacked this opportunity was resentment and continuing attempts to make do. Within the economy of shortage, rules such as the waiting list were formally established in order to ensure access to scarce resources. There was a widespread expectation that all the participants should conform to the rules. Moral economy, in the sense of mutual obligations and expectations that are commonly viewed as good and legitimate, was formally enforced in order to allow people to cope with the shortages and thus preserve some sense of justice. My hosts were more upset about not being properly treated than they were about the shortages as such, which they considered deeply irritating but accepted this as an aspect of how the system worked. Rather than the economy of shortage, it was the breaking of the rules that was the source of moral outrage. However, my hosts recovered their sense of justice when the mayor's office sent an official warning to the truck driver.

Finally, these narratives show that money was another key resource in building a house during late socialism. Younger and middle-aged villagers, men and women, used their individual savings and/or received money from their parents, usually but not always from the bridegroom's father. It was quite unusual to buy somebody else's house. Individual deposits were made on savings accounts hosted by a specific bank (State Savings Bank, Darzhavna Spestovna Kassa) under the direct control of the state. Specific policies from the 1950s onwards encouraged Bulgarians to save money (Avramov 2008: 96–102). The most significant accounts were 'housing deposits' (ibid.: 99). Inhabitants of the Rhodopes also made savings. Roughly from the beginning of the 1960s, payments in kind ceased totally, being replaced by monthly salaries paid in cash in dedicated envelopes. This practice continued until 1989 and even outlived the regime slightly. The socialist state offered bank loans at low rates of interest to encourage house construction and acquisition, sold state plots of land for the purpose of building individual houses and allowed the formation of housing cooperatives, the members of which built small apartment blocks for their own housing needs (Avramov 2008; Parusheva and Marcheva 2010). Nonetheless, the socialist state never succeeded in supplying enough housing units (Parusheva and Marcheva 2010).

In this context of a scarcity of housing, when villagers glimpsed the possibility of building their own modern house, many decided to rise to

the challenge. However, none of them had enough money to build a house. Some took out loans with the bank, but others, including my hosts, managed without a loan. In addition to the couple's small savings, my host father's father gave them a large amount of money. They also sold one or two calves and some potatoes in the process of building. Most of their money was used to buy materials. They managed by hiring only a couple of craftsmen for specific tasks. Thrift was not the young family's main motivation. At that moment in the area there were only three craftsmen able to understand a plan drawn up by an architect, and even they were self-trained. My hosts did not need to decide whether or not to hire craftsmen: they hired two of the three available masters for specific works. However, the shortage of skilled craftsmen required these men to move to the next construction site quickly, leaving instructions with the unpaid team about how to continue further. This is why most of the work was carried out through the unpaid labour of colleagues and friends, including my host mother's father and brother, the latter a professional truck driver who used his truck to help transport the materials. The composition of the team varied from day to day depending on the men's availability.⁸

Undertaking to build a private house in the 1980s in Belan was never a simple endeavour. Nonetheless, these moments of collective work are remembered in the language of joy and effervescence. In the narratives I collected, the villagers emphasized the enthusiasm and enjoyment of those who had come to help at the stages when more intensive effort was needed. My hosts, like all those who were building houses in the 1980s, celebrated the laying of every concrete slab used to construct the foundations and upper floors with a party, a major element of which was roast lamb, a highly appreciated local dish. Some informants estimated that sixty to seventy workers would gather to build a concrete slab. The cement had to be used during the day, which required the participation of many workers (Benovska-Sabkova 2001: 118–19). However, these estimates seem to be an exaggeration. Richard Wilk notes that '[e]very task has a labour restriction as well, a point at which adding more workers will no longer improve efficiency' (1997: 181). However, giving impressively high figures was meant to provide an image of mass participation and effervescence. Usually the owners of houses erected during that period did not provide me with any figures for the number of participants, simply saying that workers came in large numbers. In pointing to mass participation, what people were emphasizing was that the use of relations of mutual obligation was far greater under socialism, extending far beyond close kin. In Belan, as elsewhere in the country (Benovska-Sabkova 2001: 119), it was common for acquaintances and neighbours who were not explicitly asked for help to show up at the construction site and offer their labour. Typically on such occasions, close

ties of kinship and friendship were not a precondition for feeling morally obliged to offer help.

Belan residents still have positive memories of joyful work parties after the collective endeavour had ended. Men relaxed, while the women served them food and drink. None of my informants, neither those who provided the food and drink nor those who consumed it, ever valued the labour provided in monetary terms, nor did anybody calculate the monetary value of the food and drink they consumed subsequently on the spot. Food and drink were not perceived as payment in kind: rather, enjoying food and drinks together with the other workers was experienced as a deserved, joyful reward for their efforts. The party was also the celebration of a collective achievement, an occasion to confirm sociality and mutuality. These elements from narratives of work parties held during housebuilding directly resonate with Gudeman's analysis of similar events he studied in Panama and Colombia. As he writes, '[t]he festal work also gives the host a degree of communal prestige for being able to put on a house building, organize a gathering, and display a reservoir of strength at his command' (Gudeman 2016: 45). Another reason for such collective effervescence was that the material improvement of one household's living conditions was conceived as a sign of material betterment for the entire village. Throughout the 1980s, such collective contributions continued on the basis of delayed and generalized reciprocity. If the sense of community associated with a collective physical effort strongly resonated with the socialist cultural code, it also meant that participants shared knowledge of the obstacles that were inherent in the socialist system. All participants were well aware that the state had created provisions in order to encourage house construction while simultaneously practically fettering many aspects of it.

Conclusion

The current economic decline of the central Rhodope and the ever-shrinking prospects of decently paid jobs have led to migration and dislocation. The development of rural tourism is not powerful enough to thwart these trends. The massive erection of new houses in the area belongs to the past, and when nonetheless a house is built, nothing resembling the general effervescence around the collective work and work parties of the 1980s can be noticed. Most young villagers now project their lives in other places, and some even succeed in building a new home there. The example of Yassen's house showed that he was successful in benefiting from the labour of his brothers, cousins and friends, who came to work on his construction site

in the city. But collective physical labour has now lost its meaning as a village event, as an undertaking that used to strengthen local ties stretching far beyond the closest kin and friends and that created a sense of material betterment for the entire community. The magnitude and meaning of unpaid collective labour for housebuilding have changed. The historical shift from a late-socialist economy to a market economy means that this kind of labour as a moral economic activity, defined in terms of mutual obligations and expectations, has declined, while paid-for labour, or neoclassical economic activity, defined as self-interested market transactions, has expanded. Nonetheless, expressions of mutuality continue to exist in different forms in housebuilding, thus helping shape areas of the contemporary economy of housing as a moral economic domain.

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Notes

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1. This obviously circular definition usefully underlines the fact that anthropological and sociological definitions of the economy necessarily draw on empirical evidence about how people think and act.
2. I use a pseudonym in order to protect the privacy of the inhabitants.
3. The village has a dozen guest houses, one of which has been particularly successful since the late 1990s, and two larger hotels with around fifty beds each. Some guest houses are extended private houses in which the owners live. Three guest houses belong to people from the village but who now live elsewhere.

4. Most of the women employed in the garment factory earn the minimum monthly salary, which in 2019 was around 300 Euros.
5. Only Muslim households were recorded in the available archival documents from the mid-nineteenth century (Brunnbauer 2002). Contemporary Bulgaria was part of the Ottoman Empire from the second half of the fourteenth to the second part of the nineteenth century. Bulgarian Muslims, also called Pomaks, most of whom live in the Rhodope, are the descendants of Orthodox Christians who converted to Islam under Ottoman rule, apparently especially massively in the sixteenth century. They are therefore different from Bulgarian Turks, who are also Muslims.
6. The houses built in the last decade in what are becoming the bourgeois neighbourhoods of Plovdiv, located outside the city centre, can be contrasted with the bleak-looking, almost empty houses situated in the formerly prestigious old town (Frederiksen 2019).
7. From the archival sources that Ulf Brunnbauer (2002) uses, it is not clear whether Muslims and Christians helped each other in housebuilding.
8. Doroteya Dobрева documented a case in which, in a village located in the Rila mountains in the early 1960s, women from the collective farm regularly came to help a family build their house during their working day. The lack of money prevented this family from hiring craftsmen (2003: 66). It does not seem that women doing construction work was entirely exceptional. Some women from Belan also reported having done heavy physical labour to construct their houses along with the men.

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Afterword

Moral Economy in Context

JAMES G. CARRIER

In her Introduction to this volume, Lale Yalçın-Heckmann reviews the concept of moral economy and presents some of the ways in which the various contributors' chapters relate to it. Here I want to do something different, step back from that concept and those chapters and consider them in a broader intellectual context. That is what I call economism, which has two elements that resemble each other. One is the prevailing common understanding of the economy; the other is neoclassical microeconomics, the dominant model in academic economics and government departments concerned with economic policy.

Over forty years ago, Louis Dumont's *From Mandeville to Marx* appeared (1977), its main concern being stated in its subtitle, *The Genesis and Triumph of Economic Ideology*. Dumont argued that this ideology had come to dominate the West's understandings of itself and of how the world really is beneath surface appearances. For him, the core of the ideology is that people are first and foremost individuals who are autonomous, in the sense that they exist prior to the relations in which they may become involved, as well as being self-regarding in the sense that they seek their own well-being and will co-operate with others only if it is in their interests to do so.

This view underlies two of the formative works of English political and social thought, Hobbes's *Leviathan*, which appeared in 1656, and Mandeville's *Fable of the Bees*, which appeared in 1714. For both, the state of nature is populated by Dumont's autonomous, self-regarding individuals. This view of humanity is expressed by Adam Smith, the best candidate for the title of Founder of Economics, in *The Wealth of Nations*. There, he says (1976 [1776]: 18): 'It is not from the benevolence of the butcher, the

brewer, or the baker, that we expect our dinner, but from their regard to their own interest.' In the *Communist Manifesto*, Marx and Engels (1948 [1848]: 11) argue that this view especially characterizes capitalism, which 'has drowned the most heavenly ecstasies of religious fervour, of chivalrous enthusiasm, of philistine sentimentalism, in the icy water of egotistical calculation.'

Economism

It is a long time since Marx and Engels wrote, and even longer since Smith and the others did so. However, the view I have described, that of the self-regarding and autonomous individual, has flourished to become the prevailing view of people and their activities in academic economics and popular thought. I want to describe some key features of it, in part because they help illustrate how deeply seated it is in people's view of the economy, and indeed of life in general, and why it is difficult to challenge. In doing so, I distinguish between a core or basic economism and an elaborated one, which includes important concepts from academic economics.

In economism, the autonomous, self-regarding individual is cast as the rational economic actor. Such people have desires and limited resources, and they survey the things on offer in terms of which desires they can satisfy and how much they cost, which is to say how much of their limited resources they would have to give up to get them. The actors then buy the objects that offer the greatest satisfaction for the least cost, or indeed may decide that none of those objects is worth the cost and walk away. In technical terms, this is called maximizing utility, an object's utility being its ability to satisfy an actor's desire. I want to elaborate on this simple sketch.

This view sees those actors in terms of transactions, which commonly bring to mind markets. Market transactions have two parties, and, in principle, economism applies to both – that is, to the person who brings onions to market and has a desire for money as much as the person who brings money and a desire for food. However, in practice, the focus is on the buyers; Smith, after all, illustrated his argument with how we get our dinner from the butcher, the brewer and the baker. An appropriate and common image is someone in a supermarket aisle or on a website confronted with a variety of items on offer, each with a price attached. This image may seem intuitive, but it is too restricted, for the economic rationality of economism turns out to extend far beyond markets.

Marshall Sahlins (1996: 395) pointed out one way in which economism extends beyond markets and even market societies when he said that a central element of Judeo-Christian thought is 'that what life is all about is

the search for satisfaction'. The idea that people are possessed by desires and seek to satisfy them, then, seems to have been ubiquitous in Judeo-Christian culture for a very long time. Lionel Robbins, a British economist whose work is part of elaborated economism, identified a different way in which the latter extends beyond markets. He argued that rational economic action exists throughout life in general, for people make economic decisions whenever they decide how to allocate their limited resources among alternative ends. It turns out that they do that in pretty much all areas of their lives. As he (Robbins 1945 [1932]: 26) put it: 'The distribution of time between prayer and good works has its economic aspect equally with the distribution of time between orgies and slumber.'

Given what I have drawn from Sahlins and Robbins, the triumph of economic ideology that Dumont described seems absolute. From what Sahlins said, it seems that a central element of our culture is that we think that people have one attribute of the economic view, namely desires and the belief that it is important to satisfy them. From what Robbins said, it seems that all those who make decisions about how to spend their time, energy, money, attention or anything else of which they do not have an infinite supply have another attribute of that view, for they are allocating their scarce resources among alternative ends.

To see how self-evident and all-encompassing this view is, at least in its elaborated form, consider a woman who is sleeping. When the alarm goes off at seven in the morning and she decides to hit the snooze button and sleep for another quarter hour, she is pursuing satisfaction, as Sahlins suggests. Further, her decision is about the allocation of a scarce resource, time, between being asleep and being awake. Moreover, that decision is rational because she concluded that the extra sleep would produce more satisfaction than would having another fifteen minutes awake during the day. If she did not conclude that, she would not have done what she did, namely hit the snooze button. This is what economists call a revealed preference, to which I return below.

Gary Becker spent his academic career extending the core economic model to more and more realms of life (e.g. Becker 1957, 1991). He is one of the two Americans who received both a Nobel–Swedish Central Bank prize for economics, in 1992, and the Presidential Medal of Freedom, in 2007 (the other was Milton Friedman, in 1976 and 1988). The prize citation referred specifically to his extension of the applicability of the model: 'for having extended the domain of microeconomic analysis to a wide range of human behaviour and interaction, including nonmarket behaviour' (Nobel Prize Organization 1992).

Thus it is that Hobbes's, Mandeville's and Smith's basic ideas about what people are like turns into economism, a potent common view of the world

that sees people deciding what they want to do when the alarm goes off in the morning, when they are in the supermarket or when they are awakened from their slumber and invited to an orgy. As our sleeping woman illustrates, in its elaborated form this view is comprehensive, seeming to cover everything and, in the process, perhaps covering nothing. One way the view could be defended against this criticism is by treating it as a language, a way of talking about things, rather than a guide to action and policy.

Consider again the sleeping woman and the snooze button. We can describe her in economism's language, but, a defender might say, that is not all there is to it, for guides to action and policy not dictated by economism or the sleeping woman's desires are possible. That is, if we consider what that woman needed to do during the day and knew that she needed to do it, we might conclude that she would have done better to get up than to sleep longer. However, the elaborated form of economism undercuts this defence. That is because it is resolutely liberal, holding that people's likes are their own and cannot be challenged. Neoclassical economists do not make a principled, explicit case for this liberalism, nor do they say why it is good. Rather, they hold that what they call preferences, people's likes, are to be taken as given and as going beyond the scope of their model.

Because achieving or acquiring people's preferences, whatever they may be, increases their satisfaction, this is simply presumed to be good. In *The Economist*, at the time a resolutely economic magazine, this view was expressed in an article casually, without the writer seeming to feel the need to elaborate or explain: 'Forcing consumers to pay double for . . . their choice or buy something else, hardly makes them better off' (Car Wars 1995). By that logic, I am better off with an automobile that pollutes heavily, eating adulterated foods or filling my study with assault rifles and hand grenades, if they are what I want.

This recalls an aspect of economism in both its basic and elaborated forms that I have mentioned already: that people are fundamentally autonomous and self-regarding. Seeking to maximize their satisfaction, they will deal with each other in terms of their own interests and the utility of what they might transact with each other. As Smith (1976 [1776]: 18) put it, the logic is: 'Give me that which I want, and you shall have this which you want.' One corollary of this is that their dealings are impersonal, devoid of personal affection or sentiment. This is as it should be because personal sentiment can only cloud the assessment of cost and utility, which hinders maximization. So, people need to transact at arm's length, which means not being linked or related to each other in anything but the transaction at hand.

In terms of firms, we are told that those that do not act in this way will be less successful than those that do, and so be driven out of business by their

competitors. This explains the economistic objection to family firms, companies that draw on family connections for capital and labour rather than securing them impersonally in the market (Chandler 1977). Another way in which firms can fail to transact at arm's length is less obvious: letting the history of their dealings with each other affect their judgement. So, a baker who bought 500 kg of soft flour from a supplier may be satisfied with the flour and the price but should not let his or her judgement be clouded by that when the time comes to place another order. Rather, the baker should consider a variety of suppliers, their wares and prices.

Firms, even large ones with the resources to evaluate a range of possible suppliers and counterparties, do not always, or even often, act in this way. Ronald Dore and Mark Granovetter showed that firms might start out dispassionately assessing each other and transacting at arm's length but that they tend to change. Dore (1983: 479) claimed that their relationships 'become regulated by criteria of fairness', while Granovetter (1985: 490) argued that they end up carrying 'strong expectations of trust and abstention from opportunism'. Findings such as these would seem to challenge the economistic view.

An important elaboration of basic economism, something called the new institutional economics (the NIE), came to the rescue. This is associated mostly with Ronald Coase (1937, 1960), who received the Nobel–Swedish Central Bank prize in economics in 1991, and Oliver Williamson (1975), who received the prize in 2009.

The NIE starts out from the basic economistic view that people are autonomous, maximizing actors who decide what to do based on what different things cost and on the benefits or satisfactions they would give them. It extends that view, however, by saying that more costs are involved than just the obvious one, money. Those other costs are called transaction costs, which I take to include what are called information costs. Those costs may not be monetary, but they are real nonetheless. So, a man who wants to buy sheets for his bed in the most rational way has to consider not just the sheets and their money cost. In addition, he needs to make the effort to learn about different kinds of sheets: the material used to make them, the sorts of weave, the nature of the hemming and so on. But there is more to it than this. He also needs to learn what stores offer sheets, how reliable they are, how they deal with customers and their return policies. In addition, if he wants to go to the store to make the purchase, he needs to know where the store is located, which means how much time and money it would take to get there and get home again.

The point the NIE makes has some important implications. One is that it may be rational to act in ways that appear irrational in the core economistic view, in which people should compare all the costs and benefits of different

possible purchases, like different sheets, or courses of action, like prayer or good works. However, that does not mean that those who do not do this are irrational. Rather, they may have made the rational (which need not be the same as correct) judgement that the cost of gathering more of the requisite information is so high that it is not worth doing.

Another implication is simpler, but it has more profound intellectual consequences. I said that transacting repeatedly with the same counterparty may be rational because the knowledge gained in the first transaction reduces our uncertainty about that counterparty, and that in turn reduces the advantage we would expect to gain by spending the resources necessary to evaluate other possible counterparties. So, our baker who is satisfied with the price and quality of that 500 kg of soft flour and with the service and behaviour of the supplier might well be rational in deciding that the transaction costs of looking for alternative suppliers would be too high and simply deal again with the same supplier.

The intellectual consequence of this is that it allows us to take what appear to be the social and moral aspects of relationships and reduce them to the calculation of autonomous and unrelated individuals. Accordingly, Dore's 'criteria of fairness' and Granovetter's 'trust and abstention from opportunism' do not mark the development of social relationships between firms. Instead, they reflect the fact that experience has taught a firm enough about how its counterparty behaves for the firm to decide that what it would learn from a search for a new counterparty would not be worth the transaction costs. Fairness and trust, then, are not properties of a developing social relationship. Rather they are a way of keeping transaction costs down – Marx and Engels's icy water of egotistical calculation.

I said that economism is difficult to challenge, particularly in its elaborated form. The NIE shows how empirical findings, like Dore's and Granovetter's, that appear to challenge economism in its basic form can be subsumed by it and turned into demonstrations of its strength, as well as being the justification for two Nobel–Swedish Central Bank prizes, plus that Presidential Medal of Freedom.

In what I have said so far, I have regularly presented stylized images of people, like the baker needing more soft flour and the woman confronting her alarm clock. Those simplified images of people and their thoughts and actions lack texture, but this is appropriate when considering economism. That is because the more prestigious branches of the discipline of economics, as well as much popular economic thought, have a distinct air of deduction (see Blaug 2003; Rivzi 2003). That is, they assume that people have a limited number of simple attributes, like maximization, preferences and limited resources, and then deduce how they would act in certain situations.

This can lead to what look like circular arguments. I mentioned an aspect of this in passing when talking about the woman and the alarm clock. She decided to hit the snooze button; in economism we presume that she considered the alternatives and decided to satisfy her preference for sleep. We have no way of knowing how she arrived at her decision or even what her preferences were, so we cannot know if she in fact behaved in ways that the economic model assumes. However, when I first presented her, I invoked the idea of revealed preference, another elaboration of the basic form. To put it crudely, this says that of course sleep was the preference she was maximizing, as revealed by the fact that she hit the snooze button. So, anything that people do can be seen to reflect a preference being maximized, even if we have no knowledge of it, so that the economic model is satisfied and seen to be justified.

That circularity is a logical reason to worry about the air of deduction in economism. There is also a more empirical reason – that its simplifying assumptions result in models that seem to bear little resemblance to real people. Milton Friedman, whom I said won the Nobel–Swedish Central Bank prize in 1976, rebutted this worry. He said that the question is not whether the resulting models are unrecognizable caricatures of human beings. Rather, it is whether those simplified models produce predictions that are accurate enough for the purposes at hand, and he held that they are. In his view (1953: 224), ‘A theory cannot be tested by the “realism” of its “assumptions”’. Rather, we need to consider whether or not it ‘yields valid and meaningful (i.e. not truistic) predictions about phenomena’ (1953: 213; see also Hodgson 1988: 28–35; Milonakis and Fine 2009: 230–36).

Economy

I turn now to economic activity as perceived by those whose orientation is less shaped by economism’s presuppositions. The activity at issue is people’s actions and interactions that are part of market transactions, of the production of utilities or of both. This field is narrower than the way in which elaborated economism sees that activity, which I said is concerned with a form of reasoning it assumes underlies people’s actions of all sorts.

Those whose perceptions concern me are the contributors to this volume, whose view of economic activity echoes that of economic anthropology generally. I think this view is also close to the way ordinary people think about the actions they undertake and see around them when they approach those activities as ordinary rather than as ‘economic activity’ or ‘the economy’; when, that is, they see things free from the need to interpret them in economic terms. Because what the contributors describe is surveyed in

Yalçın-Heckmann's Introduction I shall deal with it only briefly, attending especially to the ways in which it departs from the economistic view.

One way it does so is that it reveals little sign of an impersonal market in which people deal with each other at arm's length. Thus, in her description of employment relations in a city in Myanmar, Laura Hornig describes something that looks more like a social dance than an economistic market in which people buy and sell labour power. Rather, employers and employees want different things, and an important aspect of their relationship is working out what these desires mean in practice and how they will or will not be met. Luca Szücs describes something similar in a firm that runs three small tobacco shops in a Hungarian city. There, the relationship between owner and workers and among the latter is pervaded by an ethos of mutual support. Such support can be demanding, so it is not unlimited. Even so, the ethos is there.

Detelina Tocheva's description of people from a declining village in Bulgaria extends the study of mutuality to an activity that is economic but not commercial, namely building houses. They are built with pooled communal labour, which is a common feature of village societies. Tocheva shows that mutuality is not a constant, having changed because of the changing context of the village she describes. As it lost population and young people migrated elsewhere for paid jobs, the 'we' among whom mutuality exists changed from the village as a whole to the network of kin and friends centred on the person whose house is being built.

When she describes changes in the 'we' of pooled labour in Bulgaria, Tocheva shows that different sorts of relationship can underlie mutuality. In a discussion of how different people set up manufacturing firms in Palghar, on the west coast of India, Sudeshna Chaki shows those differences in a different context. This is most obvious among families that had migrated to Bombay during the colonial era, became merchants and in a succeeding generation moved to Palghar and became manufacturers. Among these people, caste and community membership eased their entry into Bombay commercial life, with the hostels funded as an act of charity by merchants from their home areas and with the informal networks and friendships people formed with others of their community.

Chaki, like Tocheva, shows the importance of kin and community links in economic activities. Ceren Deniz, in her study of a factory in Çorum, a town in Turkey, shows how those links can be more fragile and contentious than one might think. That is because they were seen as the basis of claims to a job in the factory. This seems to have encouraged people to claim a closer relationship to the boss, Cemal Bey, than might be justified, and it is understandable that, faced with this, he would be sceptical of assertions of those links and the claims based on them.

In her description of small shops in a city in Denmark, Anne-Erita Berta addresses a different topic, namely what it is that motivates the shopkeepers. She argues that they want to do good. This is not, however, simply the expression of a set of personal values. Rather, they seek the esteem of their customers, as is manifest in their social interactions with them, esteem that validates both what they are producing and the notion of the good that they hold. An entrepreneur driven by a more purely personal notion of the good is a woman in the clothing industry in a town in Russia, described by Daria Tereshina. This woman's idea of the good was to produce textiles and clothing that she thought were of good design and quality. However, she found that there was too little demand for such products, so she effectively split her firm in two. The main part produced conventional work on contract to larger firms, which generated the income that allowed her to run the smaller part of the firm, which designed and produced display models of the sorts of clothes that satisfied her sense of good clothing but made a loss.

The chapters I have mentioned thus far are concerned with people's values and interpersonal relationships as they appear in economic activities of different sorts. The remaining chapter is Ivan Rajković's study of the workers and ex-workers in an automobile factory in Serbia that fell on hard times and ended up being run by a public-private partnership. Rajković says that workers saw the factory not simply as an economic entity but as a socio-economic one. They had expectations, based on their previous experience, of the obligations the factory and its owning partners had to the workers and saw that those obligations were not being met. As Rajković notes, this repeats, in only slightly modified form, what E.P. Thompson (1971) said of the English crowd. They knew that their economic activities were economic, but equally they held that transactors had obligations to each other, obligations to which economism's autonomous, self-regarding actors are indifferent. And just as the developing market in grain in England was indifferent to the crowd's social expectations, so the new corporate entity was indifferent to the social expectations of these Serbian workers.

Economy and Economism

I have touched on only some of what is reported in the descriptions of various economic activities in the chapters in this volume. I have touched on enough, however, to show that the world they portray is different from Smith's market actors engaging in material transactions to get their supper from the butcher, the brewer and the baker.

For one thing, even where sheer monetary gain is important, as it is in Tereshina's description of the Russian woman in the clothing trade, it

is not necessarily people's ultimate goal. For that woman, money was a means to an end, namely designing and making clothes of high quality that consumed rather than produced money. In that respect, she resembles the Danish petty entrepreneurs that Berta describes. They needed the money, and to get it they needed to have satisfied customers. However, their work was an expression of their values, which were affirmed by their having satisfied customers.

Another feature of the core economic view is that economic actors focus on the exchange of objects in the transaction at hand. However, the chapters in this volume show that there can be much more than that to economic activity. Those Danish petty entrepreneurs and the Russian woman in the clothing trade illustrate this, for their activity is shaped by the broader values they hold. In a similar way, the workers and employers in Myanmar that Hornig describes are trading money for labour power but in doing so are concerned with much more than just the cash nexus. Their dealings with each other involve tacit negotiation of who owes what rights and responsibilities to whom: respect, fair treatment, loyalty and support. The same is true of the Serbian workers that Rajković describes. The conversion of what had been a state enterprise into a public-private partnership brought to the surface what the workers saw as a social contract, made visible when the new enterprise pursued a set of new and more purely commercial practices.

The last feature of the basic economic view I consider here is that transactors deal with each other impersonally, approaching transactions in terms of what's in it for them and not of their possible relationships with each other. If the contributions to this collection are any indication, this is the least defensible element of that view, and I need mention it only briefly. In Szücs's Hungarian tobacco shops, the owner and the workers are in an enterprise where mutuality and respect, while not unlimited, are important features of the employment relationship. Chaki shows how kin and community are important to those with commercial backgrounds as they set themselves up as manufacturers in Palghar. For Cemal Bey, co-owner of the Turkish factory that Deniz describes, kin and their demands are a regular feature of his job, and indeed kin appear to pervade his company. And obviously, the people Tocheva describes who collaborate to build houses are linked by ties of kinship and friendship.

From what I have drawn from these chapters, it appears that the basic economic view does not accord with the actual economic activities of a lot of people. It is worth considering why this difference between the view and the activities exists.

One possible reason is the size of the entity or actor being described. It seems that conventional thought and what we see in the media, as well as

much of academic economics, focuses on two sorts of entity. One is the autonomous individual, like the woman whose alarm went off at seven. She confronts things outside herself, like that alarm, but she is not seen to be in anything that looks like a relationship with them. Rather, she evaluates what they do and responds accordingly. That woman is a single autonomous actor, but masses of such individuals can be aggregated in notions like market demand. The other entity is the enterprise: companies, firms and the like. Most commonly these seem to be construed as large-scale versions of autonomous individuals, like Coca-Cola or Air France or Goldman Sachs, constructions indifferent to what goes on in the myriad small parts that make them up. Again, there can be aggregates of such entities, like the airline sector or Wall Street.

With a few exceptions, these chapters describe something different. They are concerned with small groups of people linked to each other in different ways, like petty entrepreneurs and their customers or employees, those who pool labour to build a house, or those who invoke kinship or shared locality of origin in their search for work. This focus makes it easier to discern the interactions and relationships that tend to be obscured by restricting attention to the singular entities that populate the conventional view.

A second possible reason refers more to common thought about economic activity than it does to academic economics. As I have mentioned already, that common thought echoes Smith's reference to getting our supper from the butcher and the rest, for it tends to focus on buying. This is understandable, for the common experience of most people in Western Europe and North America, if not the whole world, is that of going to the shops and getting things. In this respect, people are not only buyers but also what is called price-takers: they confront prices that are given and not subject to negotiation. People in those societies, at least those who have jobs, are also sellers, but those who work for pay do not seem to think of themselves as sellers of their labour power in the way that small bakers think of themselves as selling bread. Much of this volume, however, is concerned with individual people or small entrepreneurs who are selling something and who are likely to be aware of the fluidity of and variation among those whom they confront in their economic activities.

The last possible reason I want to mention concerns anthropological technique, particularly fieldwork. I said that academic economics commonly posits actors with certain attributes and deduces how they would act in one or another hypothetical situation. Less prestigious branches of economics do have their empirical side, dealing with data produced by governments and trade bodies and by companies in their accounts. However, these data have two important limitations. One is that they reflect and

reproduce the analytical frame of those who produce it and so are difficult to use by those who want to ask questions that reflect a different frame. The other is that they do not normally concern themselves with the processes that lead to the state of affairs they describe. It is true that the relatively new field of behavioural economics (e.g. Tversky and Kahneman 1974) is less deductive and more concerned with process than is mainstream economics, but it relies on experiments, which by their nature reflect the analytical frame of the researchers.

Anthropology, on the other hand, has historically been based on extended fieldwork. We go into the field with analytical frames in mind, but fieldwork exposes us to more of the complexities and contradictions of people's lives than the experiments of behavioural economics or the aggregate data produced by governments and the rest. To illustrate: Sevim, the receptionist whom Deniz mentioned, may have related 'what happened yesterday' to someone visiting from the Turkish Ministry of Labour or the Ministry of Industry and Commerce, but this would be unlikely to affect the information that the visitor needed or the data and ministry publications that would result from the visit. Also, and perhaps more basically, when we go into the field, we do not observe people as individuals whose choices in the supermarket aisle we observe, whose answers to our prepared question we record or whose responses to our experiments we note. Rather, we see them in their daily lives. That means that we see them in their relations with others, with all the complexities this entails, complexities that economism seeks to exclude from what they are seeing when they approach the world.

Conclusion

From what I have said, it would seem that economism is fatally flawed because it populates the world with rational, autonomous, self-regarding maximizers who bear little resemblance to the people anthropologists see around them in their lives, or probably what anyone else sees for that matter. However, economism in its more elaborated form can defend itself, even if anthropologists are not likely to see that defence as persuasive.

It can defend itself by translating the complexity that we, and ordinary people, see into its own terms and logic. As I have already described, the new institutional economics translates trust and criteria of fairness into what people do to keep transaction costs down. Equally, those who seek to help others can be translated into individuals who are maximizing the pleasure they get from feeling virtuous. Seen in this way, charity is translated into just another individual preference no different analytically from detective fiction or, to recall Robbins, orgies. And as I said, the economicist

perspective decrees that preferences are simply to be taken as given, not to be investigated or evaluated. Seen in this way, economism is, as I have noted from time to time, very well armoured conceptually, for, at the risk of parody, it comes down to arguing that people do what seems to them to be a good idea at the time. This armour, of course, makes it a truism, and hence trivial.

If my parody has an element of truth, we confront a question: how is it that a conceptual approach that is either belied by experience or trivial is so influential and widespread? How do we account for the influence of an approach that, in fact, has long been criticized for its oversimplifications and occasional baleful consequences, such as the financial crisis of 2007–08 and the Great Recession that followed (for a recent example, see Earle et al. 2016)? I have no answer to this question, but I do have two suggestions about how we might begin to look for an answer.

The first suggestion is fairly straightforward, and it is cultural because it revolves around the rhetorical appeal of different sorts of arguments and conceptual frames: I suggest that arguments and frames that are simple are more appealing than those that are complex (Carrier 2009). The core of economism ignores the complexities of people's lives and activities that anthropologists see and contains only individuals who have desires and who act in ways that they think will produce the greatest satisfaction for the least cost given the alternatives. This appeal was expressed by John O'Sullivan, a British political commentator who ended up being an advisor to Margaret Thatcher, when he said that free-market thinking, a valued element of economism, 'provides clear, consistent and above all, simple solutions to the problems thrown up by society and the economy' (quoted in Cockett 1994: 194).

The second suggestion is more complex, and it is more institutional than the first because it revolves around how institutions promulgate views of the world and use them to claim authority. The institution at issue is the discipline of economics, which resembles economism in public discourse and the political realm. That discipline itself is powerful, in significant part because it asserts that there is a crucial but opaque realm of life called 'the economy' and that the discipline provides insights into that realm and how it works. Such claims are not unique to economics in its current neoclassical form, for they also existed when the older Keynesian approach was dominant. That realm is seen as a system that has properties of its own and must be nurtured to ensure prosperity and protected when things seem to be going wrong.

So, for instance, many governments ended up treating the crisis of 2007–08 as a crisis in the financial system, an important part of the economic system. In varying ways and with varying degrees of success, they threw

massive amounts of money at the firms in that system, notably banks, and at markets important to it, notably the bond market. Banks and other firms in the sector were unstable, and to a substantial degree this was because a lot of loans that they had made to individuals, particularly in the form of mortgages, were looking distinctly problematic. One could have dealt with this in ways that were not clearly concerned with the system. Most obviously, governments could have thrown money at individuals and households, a significant proportion of which would have used it to help pay down those loans, which would have gone some way to stabilizing banks' financial positions. This was debated in the US at the time, but it was rejected, largely on the grounds that it would benefit people who had been reckless financially and so did not deserve support.

It is not just impoverished and indebted American households that can feel the unfortunate effects of a concern with the system rather than with the people who are part of it. One element of economists' portrayal of that system is the assertion that using money to create the greatest profit, called the rational allocation of capital, produces the most efficient economic system, which means the most productive economy, and so benefits everyone. Karen Ho (2012: 420) quotes a man in the financial sector who espoused this view in a way that shows the difference between concern for the system and concern for the people in it: 'Inefficiency requires reallocation of assets. That includes people, and that can be painful, especially if you are one of the people. But society as a whole is still, without question, better off.'

My final illustration of the importance of system in economic thought is the concern that transactions be visible rather than a private matter between the parties concerned. Generally, transactions in the financial markets are visible, but there are things called dark pools, in which transactions are private, and those pools are fairly large. Financial authorities worry about them for reasons related to the proper operation of the economic system. They hold that dark pools reduce people's ability to know the prevailing price of things. That in turn reduces the chances of a rational allocation of capital in the system as a whole, so that the economic system will not be as efficient as it should be. In an earlier era, people also wanted transactions to be visible, but for different reasons. In England through the eighteenth century, people worried that private transactions would affect those involved. According to Alan Everitt (1967: 571), making transactions visible 'afforded at least a measure of protection to both consumer and tradesman. The fact that transactions became the common talk of the town discouraged, if it did not prevent, wholesale cozenage.'

I have suggested two ideas we might pursue if we want to understand the strength of economic thought, one more cultural, the other more institutional. Accounting for that strength has been important for as long as the

thought and the discipline of economics have been able to ignore criticism from outside the gates. If my suggestions are reasonable, then economism will be able to ignore the implicit criticism contained in this volume and in economic anthropology more generally. This would be unfortunate, but I fear it is likely.

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